



SAFEBULKERS

2022 | SUSTAINABILITY REPORT



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01

LETTER FROM OUR CEO



GRI 2-22

Looking back on the past challenging years, I am very proud of what our Company and our people have collectively accomplished both in times of crises and in periods of favorable shipping markets, and I am also proud of the continued steps we have taken to accelerate progress towards a more sustainable and inclusive Company. Throughout this period of trade volatility and disruption, Safe Bulkers Inc. has led with a tireless focus on delivering to all stakeholders, while remaining a healthy and competitive Company with strong economic growth and sustainable development. Our Company's foundational strength and operational resilience, alongside the character and commitment of our people enabled us to successfully address the challenges of difficult times and deliver satisfactory results in 2022 notwithstanding the geopolitical tensions and the risks of recession in an inflationary environment and a post pandemic period.

Reducing the environmental impact of our businesses and operations has long been a strategic priority for our Company and an integral part for our long-standing success. Ahead of the increasingly stringent environmental regulations (which include the International Maritime Organization (IMO) greenhouse gas emissions (GHG) reduction targets for international shipping by at least 100% by 2050 compared to the 2008 levels), we are executing a comprehensive fleet renewal program by (i) ordering the most advanced vessels complying with Energy Efficiency Design Index (EEDI)-Phase 3, NOx -Tier III regulations, (ii) investing in greener technologies for upgrading our vessel performance and (iii) assessing alternative fuels and biofuels. We believe our investments are designed to improve our competitiveness in the evolving environment of emissions regulation. Ultimately, at Safe Bulkers Inc., we recognize that we are only as strong as our people and communities. Building on six decades of experience, we continue to integrate and elevate our sustainable efforts across the Company and try to improve our Environmental, Social and Governance (ESG) performance. We try to make a positive and lasting impact where we live and work and to provide more opportunities, especially for young people. In 2021, we introduced an annual scholarship program for maritime and shipping law studies, which we have expanded in 2022. As we look forward, we remain focused on our commitment to serve all our stakeholders, generate long-term value and contribute to the local communities.

As a result, by early 2025, Safe Bulkers will have 23 vessels with improved energy efficiency characteristics, either eco-ships built after 2014 or IMO GHG Phase 3 - NOx Tier III compliant built after 2022. We also expect to upgrade 20 existing vessels by the end of 2023, increasing their competitiveness due to improved energy efficiency and lower fuel consumption. In parallel we have expanded our scrubber program to cover all our cape size class vessels. This will provide additional operational and commercial benefits during times of substantial price differential between high and low sulfur content fuel. Having invested in new buildings and environmental upgrades, we continue to monitor technological developments in new environmentally friendly alternative marine fuels, which we expect will play an increasingly important role in the next decade.

On the financing front, during the last two years, we secured two sustainability linked financings. Our Company is aiming to create value for our shareholders, by competing based on improved environmental performance as new regulations, restrictions and taxation are being introduced. In this context, I invite you to read our Sustainability Report 2022 and become acquainted with our work and performance on ESG matters that are critical to build a successful, enduring Company.

Polys V. Hajioannou

Chief Executive Officer and Chairman of the Board



02

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

5.8% Decrease in AER compared to 2021	9% Increase of transport work maintaining similar carbon footprint compared to 2021	2 New Buildings IMO EEDI Phase 3, NOx Tier III	5 Vessels upgraded environmentally	2910mt Biofuel consumption in 2022
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EMPOWER AND CONSERVE NATURE

26% women employees	10 scholarships for Greek or Cypriot citizens every year	0.54 work-related injuries
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PEOPLE AND COMMUNITIES

Sustainability governance for managing negative impacts and enhancing positive impacts	Safety, Health and Environment Protection Policy	Quarterly risk assessment procedures
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RESPONSIBILITY IN GOVERNANCE



03

OUR COMPANY



SAFE BULKERS AT A GLANCE

GRI 2-1, 2-2, 2-6

Safe Bulkers Inc. (the "Company" or "Safe Bulkers" or "we") is an international provider of marine dry-bulk transportation services, primarily transporting grain, coal and iron ore worldwide. We are listed on the New York Stock Exchange and trade under the symbol "SB". The headquarters of the Company are in Apt. D11, Les Acanthes 6, Avenue des Citronniers, MC98000 Monaco (Address of principal executive office). As of December 31, 2022, our fleet comprised 44 vessels, with an average age of 10.7 years and an aggregate carrying capacity of 4.5 million dead-weight tonnage (dwt). The Company as of 31 December 2022, had also ordered 9 newbuild vessels to be delivered from January 2023 until the first quarter of 2025, consisting of 2 Post-Panamax and 7 Kamsarmax with aggregate carrying capacity of 0.7 million dwt. In February 2023, the Company entered into an agreement for the acquisition of another newbuild Kamsarmax class vessel with a scheduled delivery date in the second quarter of 2025. The newbuild vessels have been ordered in the context of our fleet renewal strategy, complying with EEDI - Phase 3 regulation in relation to CO2 emissions and IMO Tier III regulation in relation to NOX emissions and represent our Company's main initiative to adapt our fleet to the new and forthcoming environmental regulations.





VISION, MISSION AND VALUES

VISION

To become one of the most competitive providers of marine dry bulk transportation services in the world and maintain our reputation built over 60 years of conducting business, as one of the most reliable and environmentally resilient pure dry bulk companies.

MISSION

To constantly exceed our customers' needs by safely and efficiently transporting dry bulk cargo worldwide incorporating Environmental, Social and Governance values.

CORE VALUES

- **Safety comes first** / We value first and foremost, the safety and health of our seafarers.
- **Build relationships** / We are a global shipping Company providing worldwide seaborne transportation services in the dry bulk sector, delivering beyond the charterers and financial institutions expectations, to advance our business and create value for our shareholders. We hold true to a legacy of over 60 years with an uninterrupted presence throughout several shipping cycles as a proud successor to a business that first invested in shipping in 1958.
- **Do the right thing** / We act with integrity, transparency, accountability, and uncompromising honesty, using a solid moral compass.
- **Respect for the environment** / We are committed to respect and protect the environment for future generations creating a sustainable future for our children.
- **Engage local communities** / Be part of local communities' development.
- **Get it done** / We overcome obstacles and find solutions of exceptional execution and precision, rewarding those who deliver great outcomes.
- **Substance over form** / We focus on substance, using common sense and simplicity, measuring our performance against a tradition of excellence spreading over 60 years.
- **Be humble** / We plan on a long-term scale inspired by humility and driven by ambition.
- **Elevate others** / We prefer problem solvers and people who enjoy making their team feel appreciated and valued.



BUSINESS MODEL

We have developed our strategy with the aim of creating value for our shareholders in an environmentally sound manner. Safe Bulkers has a balanced and adaptive chartering strategy and operates its vessels at the highest standards, consistently developing a pool of well-trained seafarers and achieving operational excellence. Our plan is to upgrade and renew our fleet at the forefront of technology while achieving the lowest environmental impact, by being early movers in the new era of global decarbonization. We want to move together with our seafarers, our shore personnel and the local communities within which we operate to produce value for society. In relation to our Company, we aim to maintain strong operational and financial fundamentals, be resilient in low charter markets and able to take advantage of market opportunities.

In parallel, we strive to capitalize on our track record and relationships, and propel our corporate governance and transparency, with the aim of empowering our business continuity in the long run.

IN MORE DETAIL, WE AIM TO:

- Pursue a balanced and adaptive chartering strategy
- Operate our vessels at the highest standards and achieve operational excellence, competing on the basis of environmental performance
- Maintain, upgrade and renew our fleet at the forefront of technology, targeting the lowest environmental impact and the provision of the best service to our clients
- Achieve a strong balance sheet with optimum capital structure
- Maintain a pool of well-trained seafarers and office personnel at highest working standards and well-being
- Establish hands-on, lean management
- Integrate risk assessment and environmental performance to our business strategy
- Capitalize on track record and relationships
- Advance our corporate governance and transparency



HOW WE OPERATE

Our Company holds offices in **Greece, Cyprus, Monaco and Switzerland** and distributes economic value to such countries and to the **Philippines**. In terms of our fleet, as of December 31, 2022, we owned 8 Capesize, 16 Post-Panamax, 8 Kamsarmax and 12 Panamax class vessels (Table 1). We are responsible for the day-to-day operation of our vessels, including chartering, marine operations, technical maintenance, crewing (manning of our vessels and training of our seafarers), supplies (provisions and spares), health and safety, and operational and environmental performance.

OUR FLEET AS OF DECEMBER 31, 2022



8 Capesize



16 Post-Panamax



8 Kamsarmax



12 Panamax

ORDERBOOK AS OF DECEMBER 31, 2022



7 Kamsarmax



2 Post-Panamax

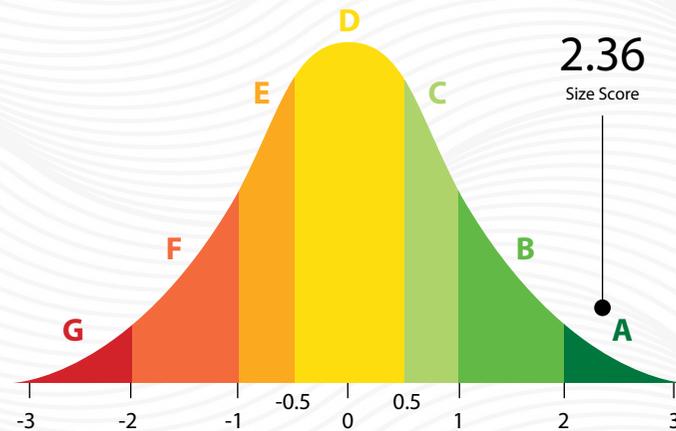


M/V VASSOS

In May 2022, we welcomed the first vessel of our newbuilding program, the Kamsarmax class M/V Vassos. The vessel was built in a top-quality Japanese yard and complies with the EEDI-Phase 3 regulation three years prior to its enforcement and with the IMO NOx Tier III regulation. The fuel efficiency of this vessel, which also entails an excellent environmental performance, is reflected in its charter party description:

- **Ballast Condition:** Total consumption of 14 t/day at a speed of 12 knots
- **Laden Condition:** Total consumption of 14 t/day at a speed of 11 knots

The outstanding environmental performance of M/V Vassos is also reflected in her RightShip GHG Size Score. RightShip is the world's biggest third party maritime due diligence organization, providing expertise in global safety, sustainability and social responsibility practices. RightShip score is derived by comparing the vessel to other bulk carriers in the range of plus or minus 10% of its dwt. M/V Vassos achieved a size score of 2.36, or an A rating.



M/V Vassos Rightship GHG Size Score





M/V Vassos

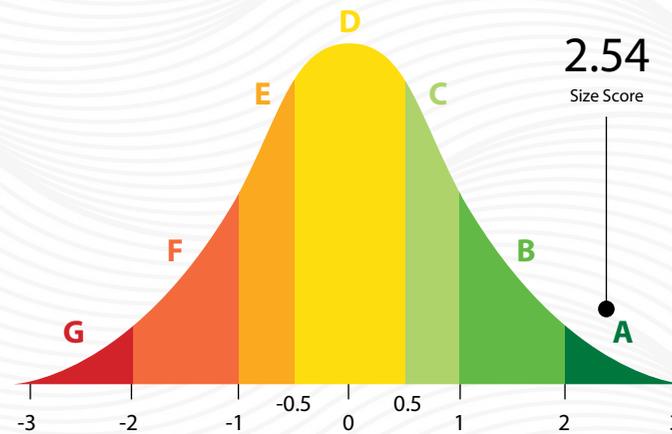


M/V CLIMATE RESPECT AND M/V CLIMATE ETHICS

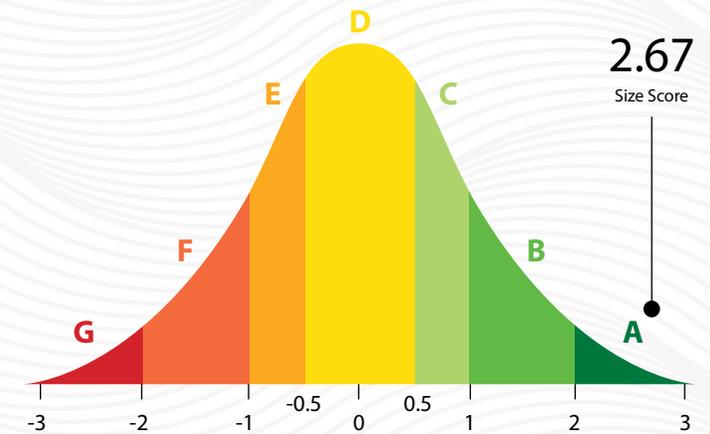
In July 2022 and in January 2023, we welcomed the second and third vessels of our newbuilding program, both Post-Panamax class vessels, the M/V Climate Respect and M/V Climate Ethics. These vessels were also built in top-quality Japanese yards and comply with the EEDI-Phase 3 regulation three years prior to its enforcement and with the IMO NOx Tier III regulation. The fuel efficiency of these vessels, which also entail an excellent environmental performance, is reflected in their charter party description:

- **Ballast Condition:** Total consumption of 15 t/day at a speed of 12 knots
- **Laden Condition:** Total consumption of 15 t/day at a speed of 11 knots

The outstanding environmental performance of M/V Climate Respect and of M/V Climate Ethics is also reflected in their RightShip GHG Size Scores. M/V Climate Respect and M/V Climate Ethics achieved a size score of 2.54 and 2.67 respectively, or an A rating.



M/V Climate Respect Rightship GHG Size Score



M/V Climate Ethics Rightship GHG Size Score



M/V Climate Respect



PARTNERSHIPS AND DISTINCTIONS

GRI 2-28

PARTNERSHIPS

We firmly believe in the power of collaboration and actively engage in cross-industry partnerships and coalitions to drive progress across the sustainability agenda. By joining forces with diverse stakeholders, we collectively strive to set high standards, foster innovative solutions, and champion common goals. This collaborative approach allows us to make significant contributions towards a more sustainable future.

In our commitment to excellence, we go beyond mere participation and take an active role in shaping the industry landscape. By actively contributing to these partnerships and coalitions, we help define and refine the standards that guide sustainable practices. Through robust discussions, knowledge sharing, and collective action, we work towards creating a positive impact on the environment, society, and the economy. Through recognizing the importance of regulatory frameworks, we actively engage with regulatory bodies by leveraging our memberships in industry associations. By participating in these forums, we contribute our expertise and insights to help shape policies and regulations that promote sustainable practices across our industry.

We are affiliated with HELMEPA and CYMEPA and we are members of the Clean Shipping Alliance:

- HELMEPA (Hellenic Marine Environment Protection Association), is an association that comprises Greek seafarers and shipowners, and since 1982 has voluntarily committed to safeguarding the seas from ship-generated pollution. HELMEPA primarily aims to achieve environmental consciousness across the maritime community and ensure safe and quality shipping.
- CYMEPA (Cyprus Marine Environment Protection Association), a not-for-profit organization registered in 1992 whose principal aim is to encourage and actively assist effective efforts to prevent all forms of pollution of the sea.
- Clean Shipping Alliance's mission is to provide information and data on the environmental performance and benefits of open-loop scrubbers.





DISTINCTIONS

2013

MARINE MONEY INTERNATIONAL

Safe Bulkers was awarded first place finish for the year 2013 in Marine Money's annual rankings of publicity traded shipping.

2011

MARINE MONEY INTERNATIONAL

Safe Bulkers, was awarded fourth place ranking for its superior financial performance for the year 2011 in Marine Money's rankings.

2010

LLOYD'S LIST

Safe Bulkers was awarded "dry cargo Company of the year" in Greek shipping awards 2010.

MARINE MONEY INTERNATIONAL

Safe Bulkers was awarded first place finish for the year 2010 in Marine Money's annual rankings of publicity traded shipping companies.

MARINE MONEY INTERNATIONAL

Safe Bulkers was awarded second place finish for the year 2010 in Marine Money's rankings.



ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS

GRI 2-6

UPSTREAM



MIDSTREAM



DOWNSTREAM



Shipyards



Suppliers



Banks



Regulatory authorities



Employees



Manning agents



Brokers



Charterers



Managers



End-users



Ports



Shareholders

SUPPLY CHAIN

- ✓ Vessel construction-acquisition
- ✓ Financing
- ✓ Supply of spares, provisions, store and technical services

OPERATIONS

- ✓ Chartering
- ✓ Regulatory authorities
- ✓ Vessel operations
- ✓ Quality assurance and regulations

CAPITAL AND CARGO RECEIVERS

- ✓ Shareholders reward
- ✓ Dry cargo delivery

Safe Bulkers Value Chain



UPSTREAM

Vessel construction or acquisition, capital expenditure financing and supply of goods and services for the operation of the vessels worldwide comprise the main activities in the value chain. The Company places orders for vessel acquisition or construction directly to shipyards in Japan and China and Korea. Orders can be also placed via brokers including established Japanese trading houses. Further to that, the Company acquires secondhand vessels either through brokers or directly from sellers and assigns its managers the supervision of construction of newbuild vessels; this process is carried out by officers residing at the premises of shipyards throughout the construction period and until vessel delivery.

Furthermore, the Company utilizes its extensive track record to acquire financing for its newbuild or secondhand acquisitions; in the vast majority of cases financing takes place post-delivery which means that the Company has already paid for the vessel using its own capital. The Company uses financial institutions/lenders from both European and Japanese or Chinese leasing houses of the highest standards. It is noteworthy that Safe Bulkers was the first Greece-based shipping Company to be financed by a Japanese governmental institution in 2011. A significant part of the value chain consists of our suppliers. Our Company closely cooperates with well-established suppliers to ascertain the constant supply of spare parts stores and provisions as well as technical services at a competitive quality and price.

MIDSTREAM

Safe Bulkers uses its vessels to deliver cargo around the world. Through chartering, the Company employs its vessels under period- or spot-time charters with A-name counterparties, which include the world's largest commodity producers and operators. Charters are utilized either via trustworthy brokers – with whom the Company has long-established relationships or through well-respected brokers worldwide. Additionally, our managers employ manning agents, the majority of whom are of Philippino origin. The process of locating and screening the pool of potential sea personnel is assigned to manning agents and the evaluation of sea officers is done internally by Company managers.

The entire process is heavily reliant on our reputation, forged in our 60 years of operations. It is noteworthy that regulatory authorities and classification societies play a very significant role, as they monitor the regulations imposed by IMO, EU, US and other national or international bodies. Optimization of vessel operations and maintenance is crucially implemented by crew members and shaped by office managers. Technical management and quality assurance provides the necessary support for maintaining vessels in good condition and safeguarding vessel operations worldwide while mitigating the risk of accidents, pollution incidents and detentions or deficiencies for improper implementation of rules and regulations.

DOWNSTREAM

The Company contributes to the delivery of dry bulk to many countries worldwide. Through its operations we rewarded our shareholders through payment of dividends of about \$526 million since its Initial Public Offering (IPO). The Company has been listed since its \$190 million IPO in 2008 and has accessed multiple times the capital markets during this period, raising about \$477 million in additional equity offerings.



FINANCIAL HIGHLIGHTS

Our Company experienced a significant financial success in 2022, with consistent monetary growth throughout the year. By meeting our targets, we have been able to enhance our operations, leading to positive outcomes for the environment, society, and the economy. We were able to accomplish several notable achievements, including:

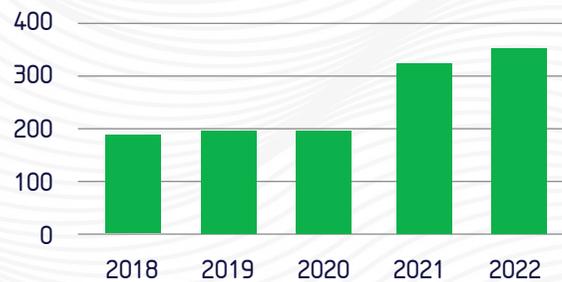
- **Fleet renewal:** Acquired 3 second-hand Capesize vessels with \$95.6 million acquisition cost, 9.4 years average age and 0.54 million tons deadweight
- **Environmental investment newbuild program:** Timely, ahead-of-competition-placed orders for 11 Japanese IMO GHG-EEDI Phase 3, NOx-Tier III, dry-bulk newbuilds with prompt deliveries from May 2022 to the first quarter of 2025. The first Kamsarmax class newbuild, M/V Vassos, was delivered in May 2022 and the first Post-Panamax class newbuild, M/V Climate Respect, was delivered in July 2022
- **Chartering Performance:** Our total revenues were significantly improved at \$349.7 million, Time Charter Equivalent (TCE) of \$22,712 achieved an Earnings Per Share (EPS) of \$1.36
- **Liquidity and capital structure:** We have emerged stronger with a liquidity capital resource of \$319.3 million as of year-end 2022 and a strengthened balance sheet
- **Shareholder reward:** We re-initiated our dividend by declaring a \$0.05 dividend per common share.



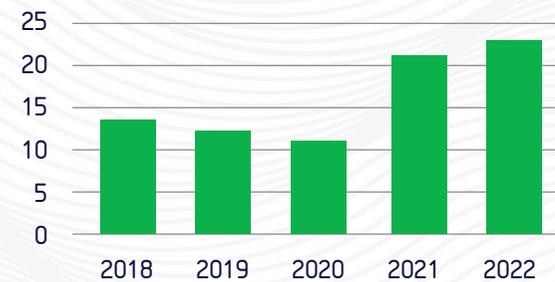
AN IMPROVED SHIPPING MARKET AND ADDITIONAL REVENUES EARNED BY OUR SCRUBBER-FITTED VESSELS ALLOWED US TO ACHIEVE A SIGNIFICANTLY IMPROVED CHARTERING PERFORMANCE.

REVENUES OVER THE LAST 8 YEARS	2022	2021	2020	2019	2018	2017	2016	2015
NET REVENUES / \$ M	364.1	343.5	206.0	206.7	201.5	154.0	114.0	132.4

NET REVENUES



TIME CHARTER EQUIVALENT RATIO





GREEN INVESTMENTS

We acknowledge that environmental conservation is crucial for our survival, not only as a maritime transportation company but also as individuals. In this context, we have embarked on an extensive investment program mainly focused on our fleet renewal program, selling our oldest and less efficient vessels and investing in relatively younger and more efficient second-hand vessels and state-of-the-art Japanese built newbuild vessels.

During 2021 and 2022, we sold 7 older or Chinese built vessels with \$109.8 million proceeds on aggregate, 14.3 years average age and 0.55 million tons deadweight, and replaced them with 7 second-hand vessels with \$187.0 million acquisition cost, 9.2 years average age and 0.97 million tons deadweight.

At the same time, well ahead of peer competition, as of December 31, 2022, we placed orders for 9 Japanese and 2 Chinese IMO GHG-EEDI Phase 3, NOx-Tier III, dry-bulk newbuilds, comprised of 8 Kamsarmax and 3 Post-Panamax vessels with prompt deliveries from May 2022 to the first quarter of 2025. The first Kamsarmax class newbuild, MV Vassos, was delivered in May 2022 and the first Post-Panamax class newbuild, MV Climate Respect, was delivered in July 2022. Our orderbook as of December 31, 2022, consisted of 7 Kamsarmax and 2 Post-Panamax vessels scheduled to be delivered between January 2023 and January 2025.

In parallel, we continued a fleet upgrade program, in relation to existing and forthcoming GHG emission regulations, which involves application of low friction paints and installation of energy saving devices, scheduling to having upgraded 20 existing vessels by the end of 2023. During the year ended December 31, 2022, we completed such environmental upgrades on five vessels, namely the MVs Efrossini, Pedhoulas Rose, Venus Horizon, Sophia and Pelopidas and partially completed environmental upgrades on the MV Maria.

FURTHERMORE, WE CONTINUED OUR EXISTING PROGRAMS FOR:

I / Ballast Water Treatment Systems (BWTS)

II / the voluntary installation of Sulphur Oxides (SOx) Exhaust Gas Cleaning Systems (EGCS), known as scrubbers in the remaining five Capesize vessels.





OUR FLEET ENVIRONMENTAL UPGRADE INVESTMENTS, INCLUDING OUR INVESTMENTS IN NEWBUILDS, AS OF DECEMBER 31, 2022, AMOUNTED TO USD 210.3 MILLION.

GREEN INVESTMENTS

CAPEX INVESTED / \$ M	2022	2021	2020	2019	2018
NEWBUILDS	73.9	43.4	8.8	-	-
FLEET ENVIRONMENTAL UPGRADES	3.9	0.4	-	-	-
BWTS	2.3	2.9	5.6	3.9	3.5
SOX SCRUBBERS	6.1	1.3	10.3	39.0	5.0
TOTAL	86.2	48.0	24.7	42.9	8.5



OUR REMAINING PLANNED FLEET ENVIRONMENTAL UPGRADE INVESTMENTS, AS OF DECEMBER 31, 2022, AMOUNTED TO USD 244.7 MILLION.

GREEN INVESTMENTS

CAPEX INVESTED / \$ M	2025	2024	2023
NEWBUILDS	15.8	72.4	147.8
FLEET ENVIRONMENTAL UPGRADES	-	0.5	5.5
BWTS	-	-	0.2
SOX SCRUBBERS	-	-	2.5
TOTAL	15.8	72.9	156.0

We monitor closely all regulations including environmental regulations which target a smooth transition to a decarbonized future operation. We have tested energy saving technologies and biofuels with lower carbon content, while we continue to assess the use of alternative zero or lower carbon fuels and carbon capture which we expect will be developed by the end of this decade.

We prefer to be early movers in adopting technological developments targeting to comply with the regulations and gain competitive advantage.



04

RESPONSIBILITY IN GOVERNANCE



We are committed on sustaining a transparent and vigilant governance structure to enhance or combat positive and negative impacts respectively, and to develop our stature towards Sustainability.

HIGHLIGHTS

Sustainability governance for managing negative impacts and enhancing positive impacts

Safety, Health and Environment Protection Policy

Quarterly risk assessment procedures



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I. CORPORATE GOVERNANCE

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BOARD STRUCTURE AND COMPOSITION

Safe Bulkers Inc. follows a staggered or classified Board of Directors (BoD) structure. The directors have different overlapping, multi-year terms so that not all the directors' terms expire simultaneously. Directors are elected during the annual shareholder meetings by a majority vote and may serve for three years. There is no provision for cumulative voting.

As of December 31, 2022, the BoD consisted of seven members, four of which are executive and not independent and three of which non-executive and independent, further divided into three classes. The term of Class I, Class II, and Class III directors expires in 2024, 2025 and 2023 respectively. The BoD may change the number of directors to not less than three, nor more than fifteen, by a majority vote. In 2022, the Board of Directors held four meetings during which all directors were present. The independence of our respective independent directors is aligned with the requirements set by the Corporate Governance rules proposed by the New York Stock Exchange (NYSE) and the Securities Exchange Commission (SEC) of the United States of America (USA).

As of March 15, 2023, two additional members were added to the BoD bringing the number to nine members as set out below, namely Mrs. Marina Hajioannou, executive and dependent, and Mrs. Kristin Holth, non-executive and independent.



POLYS HAJIOANNOU

(EXECUTIVE, DEPENDENT) has been the Chief Executive Officer of Safe Bulkers Inc., and Chairman of the Board of Directors since the Company's inception. He is an executive non-independent member of the BoD. His experience of over 30 years starts back in 1987 when he joined Alassia Steamship Co. Ltd. His business drive continued unwaveringly when in 1994 he established Safety Management Overseas S.A. in Piraeus, in 2015 Safe Bulkers Management in Limassol and in 2022 Safe Bulkers Management Monaco Inc.



DR. LOUKAS BARMPARIS

(EXECUTIVE, DEPENDENT) has been the President of Safe Bulkers Inc. and Secretary of the Board of Directors since the Company's inception. He is an executive non-independent member of the BoD. He has over 30 years of technical, financial and project management experience, 18 of which in the shipping industry.



KONSTANTINOS ADAMOPOULOS

(EXECUTIVE, DEPENDENT) has been the Chief Financial Officer of Safe Bulkers Inc. and member of the Board of Directors since the Company's inception. He is an executive non-independent member of the BoD. He has over 25 years of shipping finance experience in various financing institutions.



IOANNIS FOTEINOS

(EXECUTIVE, DEPENDENT) has been the Chief Operating Officer of Safe Bulkers Inc. and member of the Board of Directors since February 2009. He is an executive non-independent member of the BoD. He has over 30 years of shipping and chartering experience.



MARINA HAJIOANNOU

(EXECUTIVE, DEPENDENT) has been working in the chartering and operations departments of Safe Bulkers Inc., since 2021. She holds a bachelor's degree in fine arts at Chelsea College of Art and Design, UAL, a certificate in shipping from Hellenic Management Center/ICS and a certificate in Financial Accounting from Harvard Business School Online.



KRISTIN HOLTH

(NON-EXECUTIVE INDEPENDENT) has been an independent member of the Board of Directors, the Corporate Governance Nominating and Compensation Committee and of the Audit Committee of Safe Bulkers Inc. since March 2023. Mrs. Holth has over 30 years of shipping finance experience, held numerous management positions within DNB Bank ASA serving as Executive Vice President and Global Head of Ocean Industries and has significant experience in capital markets and funding, serving on several boards of public companies.



FRANK SICA

(NON-EXECUTIVE INDEPENDENT) has been an independent member of the Board of Directors, the Corporate Governance Nominating and Compensation Committee, and Chairman of the Audit Committee of Safe Bulkers Inc. since the Company's inception. Mr. Sica, has a vast experience of over 35 years as managing director in a plethora of industries, from real estate, software and commercial airlines to investment funds, private and investment banking.



OLE WIKBORG

(NON-EXECUTIVE INDEPENDENT) has been an independent member of the board of directors, the Audit Committee and Chairman of the Corporate Governance, Nominating and Compensation Committee of Safe Bulkers Inc. since the Company's inception. Mr. Wikborg has a vast experience of over 35 years in the marine and shipping industry as a managing director and president for marine insurance companies.



CHRISTOS MEGALOU

(NON-EXECUTIVE INDEPENDENT) has been an independent member of the Board of Directors, the Audit and Corporate Governance, Nominating and Compensation Committee of Safe Bulkers Inc. since 2016. Mr. Megalou has a vast experience of over 35 years in investment banking. He is the Chief Executive Officer in leading banking institutions in Greece and has been managing director in investment banking divisions worldwide.



CONFLICTS OF INTEREST

In 2022, no conflict-of-interest incidents occurred. These conflicts may arise in connection with the chartering, purchase, sale and operation of the vessels in our fleet versus vessels owned or chartered-in by other companies affiliated with our managers or our Chief Executive Officer. Under our Management Agreements our managers will be required to provide us with any chartering opportunities in the dry bulk sector, however they are not prohibited from giving preferential treatment in other areas of their management to vessels that are beneficially owned by related parties.

In addition, under our restrictive covenant arrangements with Mr. Hajioannou and certain entities affiliated with him, he and such entities may own, operate or finance a maximum of eight dry bulk vessels on the water at any time or enter into an unlimited number of contracts with shipyards for newbuild dry bulk vessels as part of Mr. Hajioannou's estate or family planning. Any such dry bulk vessels are not required to be managed by either of our managers, and Mr. Hajioannou and his related entities are not required to first provide chartering opportunities to us with respect to such vessels. Additionally, our restrictive covenant arrangements permit Mr. Hajioannou to acquire up to a 35% ownership stake in any minority invested business developed from a permitted acquisition, subject to certain requirements, including a commitment that, unless approved by the majority of our independent directors, no dry bulk vessels owned by such minority invested business will be managed by either of our managers or any other person or entity in which Mr. Hajioannou has an ownership interest.

CONFLICT RESOLUTION MECHANISMS

Safe Bulkers has established conflict resolution mechanisms through various means, including restrictive covenant agreements between the Company and the CEO, as well as between the Company and the CEO's affiliated companies. Additionally, conflict resolution is addressed through the management agreement between the Company and the managers, specific provisions outlined in the Company's articles of incorporation, and a Committee consisting exclusively of independent directors.



COMMITTEES

AUDIT COMMITTEE

As of December 31, 2022, our Audit Committee consisted of three members; Ole Wikborg, Christos Megalou and Frank Sica, as Chairman. The Audit Committee is responsible for the appointment, compensation, retention, and oversight of independent auditors as well as monitoring the performance of the independent accountants, the integrity of financial statements and our compliance with laws and regulations. Moreover, the Audit Committee participates in discussions about the annual and quarterly audited financial statements, earnings press releases, financial information and earnings guidance provided to analysts, and Policies regarding risk assessment and management.

Periodic meetings with the management, internal auditors and the independent auditor are held to review audit problems and whether the audit Committee's written charter, internal audit charter, scope of the audit plan and internal audit results are adequate. Finally, the Audit Committee reports regularly to the BoD and may handle other delegated matters by the BoD from time to time. As of March 15, 2023, Mrs. Kristin Holth was appointed to our Audit Committee.

CORPORATE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE

The Corporate Governance, Nominating and Compensation Committee's charter sets forth its composition, duties and responsibilities, as well as that of the Board of Directors. The Committee is appointed by the Board, and as of December 31, 2022, consisted of Christos Megalou, Frank Sica and Ole Wikborg, as Chairman, and remains responsible for nominating candidates to fill board vacancies, consistent with criteria approved by the Board of Directors as well as selecting or recommending nominees to the Board for the annual shareholder meeting. Furthermore, the Committee determines the Company's long-term incentive plans, including any equity-based plans and grants, develops and recommends to the Board of Directors any applicable corporate governance guidelines, and further oversees the evaluation of the Board and the management.

The regular review of the board structure, size and composition, taking diversity into account and other matters delegated to the Committee by the Board of Directors may fall under the Committee's responsibilities from time to time. Moreover, the Committee is responsible for reviewing and approving corporate goals and objectives relevant to the CEO's compensation, as well as recommendations with respect to other executive officers' compensation. As of March 15, 2023, Mrs. Kristin Holth was appointed to our Corporate Governance, Nominating and Compensation Committee.



POLICIES AND PROCEDURES

As part of its corporate governance regime, the BoD has established several Company Policies to facilitate the smooth operation of business both onboard and onshore. All Company Policies are communicated on an annual basis to employees, directors, officers and agents ensuring that everyone is informed about any potential modifications in existing Policies as well as any newly implemented ones. This practice aims to promote complete adherence and compliance among all members of the Company. Company policies are implemented by establishing relevant procedures which are monitored at least on a quarterly frequency. Also, the Company conducts trainings to the BoD in sustainability matters, via ad hoc presentations, aiming to fully align with sustainability matters and frameworks.

REMUNERATION POLICY

The remuneration Policy of shore personnel is formulated through an internal process of evaluating local market efficiencies and levels, considering the availability of personnel that adheres to the criteria required by the Company. There is a yearly evaluation of the onshore and offshore personnel through a Company-wide process. Offshore personnel follow the international regulations (Cyprus CBA and ITF) about the minimum levels of compensation of sea personnel from the Philippines, and Cyprus. The Remuneration Policy for Board level remuneration is given at the following link (<https://safebulk.com/corporate-governance/>).

COMMUNICATION OF CRITICAL CONCERNS

A Company-wide quarterly risk assessment process is set in place to transmit critical concerns to the senior executives and the Board of Directors, following certain safeguards. The Company does not tolerate harassment or victimization and will take action to protect those who raise a concern in good faith. The Company's whistleblowing program is intended to encourage staff to raise serious concerns within the Company rather than overlooking a problem. Safe Bulkers encourages individuals to identify their names to allegations, but respects confidentiality and will do its best to protect an individual's identity when a concern is raised over disclosure of identity.

Moreover, if an allegation is made in good faith but is not confirmed by the investigation, no action will be taken against the originator. Critical concerns include proven frauds or suspected frauds; any criminal offence that has been or might be committed; a legal obligation that is not being met; any malpractice that is being committed by the Company or any of its clients, customers or any other third party; health and safety risks to themselves, other officers or the public at large; any violation of any environmental law or regulation that has been or might have been committed; any person attempting to conceal evidence relating to any of these matters, which come to light either by a member of staff or by persons external to the organization. Inquiries should be emailed to the Company's whistleblower hotline at safebulkshotline@cw.com.



II. RISK MANAGEMENT

GRI 2-12, 2-13

Safe Bulkers has established a quarterly risk assessment with Company-wide participation from all departments and officers reporting directly to the executive management. This assessment focuses on reporting incidents and responses utilizing a predetermined risk-based matrix. The matrix is a result of an impact assessment procedure that includes risks from various spectra, such as environmental, operational, commercial, financial, IT and Cyber, sanctions, fraud, business objectives, incidents and responses.

The executive management reports directly to the Board of Directors, which convenes quarterly, these key risks prioritizing the short, medium and long-term business objectives. The Board of Directors considering such risks, adapts and formulates the business strategy of the Company including specifically i) market and chartering strategy, ii) fleet renewal strategy and planned fleet expansion in the developing environmental legislation, iii) commercial and financial stress tests scenarios and iv) the Environmental, Social, and Governance (ESG) policy.

Our risks are identified in detail in our Annual Report in Form 20F and consist of risks inherent to our industry and business as well as those relating to our stock and tax risks. The results of the risk assessment describe and record objectives, risks, incidents, and responses on a departmental and on a fleet basis and capture the impact on the environment of the Company.

In 2022, during the annual risk reassessment procedure the Company prioritized the key operational risks. One of the most significant risks identified was the heightened expectations from stakeholders regarding Environmental, Social, and Governance (ESG) factors, particularly in relation to greenhouse gas emissions compliance. Additionally, risks associated with fleet renewal, planned fleet expansion, and the operational and technical aspects of the fleet were also recognized. Certain important risks identified include cyber security, the impact of global market conditions influenced by geopolitical tensions, inflationary pressures and the increases in central bank interest rates across the world economies. These factors have the potential to affect the post-Covid recovery of global economies.



III. ANTI-CORRUPTION AND BUSINESS ETHICS



MATERIAL TOPIC

GRI 2-26, 3-3

SASB TR-MT-510A.2

OUR COMMITMENT

Safe Bulkers is strongly committed to upholding rigorous anti-corruption and anti-bribery policies. The Company is dedicated to eliminating any occurrences of corruption, bribery, or anti-competitive conduct within its direct operations and throughout the entire value chain. Furthermore, Safe Bulkers strives to enhance its proactive measures to prevent such instances from arising in the first place. Therefore, the Company places equal importance on addressing any reported cases as they emerge and proactively closing any policy gaps that could potentially expose the Company to such risks.



OUR IMPACTS

IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
ANTI-CORRUPTION	<p>Safe Bulkers has maintained a record with no incidents of policy breaches, and this way the Company operates with a strong commitment to ethical practices and strict adherence to regulations. The Company prioritizes compliance with applicable laws, rules, and industry standards to ensure its operations align with ethical principles and legal requirements. By upholding high ethical standards and complying with regulations, Safe Bulkers demonstrates its dedication to responsible and sustainable business practices.</p>	 Actual 
ANTI-CORRUPTION	<p>Safe Bulkers has conducted an enhanced annual assessment of its compliance with the Foreign Corrupt Practices Act (FCPA) to identify potential areas of bribery and corruption, and this way the Company proactively evaluates its internal controls and procedures, aiming to prevent and detect any instances of unethical practices. This commitment to FCPA compliance reflects Safe Bulkers' dedication to maintaining integrity, transparency, and ethical business conduct.</p>	 Actual 
ANTI-CORRUPTION	<p>Safe Bulkers has a track record with no reported incidents of bribery and this way the Company's commitment to conducting business with integrity and adhering to anti-corruption laws and regulations is evident. By maintaining a strong stance against bribery, Safe Bulkers upholds ethical standards, fosters a transparent business environment, and mitigates risks associated with corruption.</p>	 Actual 



OUR APPROACH

The Company has established a comprehensive management framework to address corruption, bribery, and anti-competitive behavior, by incorporating a range of policies, procedures, and provisions. Notably, the Company effectively communicates and institutionalizes these values through its Code of Business Conduct and Ethics, ensuring that all employees are aware of and adhere to them. Both the management and Board of Directors are dedicated to fostering a culture of ethical behavior throughout the Company, setting a strong ethical tone at the highest level of leadership, conducting quarterly assessments of compliance and enhanced annual assessments by qualified third parties, leading potentially to amendments of such policies, proactively evaluating its internal controls and procedures.

CODE OF BUSINESS CONDUCT AND ETHICS

To foster a business culture centered on honesty, fairness, and ethical conduct, the Company has adopted the code of business conduct and ethics. This code serves as a means to encourage employees to come forward and report any instances of illegal or unethical behavior they may encounter. Our officers endeavor to deal honestly, ethically and fairly with customers, suppliers, and competitors, and are urged to maintain the highest degree of confidentiality while complying with the various laws, rules and regulations of the countries and regulatory authorities that affect the Company's business. Our management setting the tone at the top, promotes a culture of zero tolerance towards fraud, unfair advantage, manipulation, concealment, abuse of privileged proprietary and confidential information, misrepresentation of material facts, or any other unfair-dealing practice. All such cases are reported directly to the Audit Committee. The Company consistently advocates for honest conduct and encourages ethical behavior aligned with widely accepted professional standards. Furthermore, the Company strictly prohibits any form of retaliation or reprisal against individuals who make reports in good faith.

FOREIGN CORRUPT PRACTICES ACT AND ANTI-BRIBERY POLICY

The Company's Policy strictly adheres to the requirements of the FCPA and the anti-bribery laws of all jurisdictions in which the Company operates. The Company is committed to the highest possible standards of openness, integrity, and accountability in all its affairs. The Company is determined to maintain a culture of honesty, reinforced through the establishment and maintenance of an effective system of internal controls. In line with that commitment, the Company's FCPA Policy outlines the principles it is committed to, in relation to preventing and reporting fraud and corruption. Since the Company's inception, zero legal and regulatory fines or settlements associated with bribery and corruption have occurred.

ETHICS HOTLINE AND WHISTLEBLOWING POLICY AND RESPONSE PLAN

This Policy outlines the Company's principles, which aim to facilitate the reporting, retention, and treating of alleged incidents related to accounting controls and auditing matters. If any employee becomes aware of concerns during its employment regarding actual or potential criminal offenses committed by the Company, non-compliance with legal obligations, or any malpractice being committed by the Company or its clients, it is required to promptly raise its concerns with the Chairman of the Audit Committee or any other member of the Audit Committee. Likewise, customers or third parties who have concerns about health and safety risks or violations of environmental laws or regulations should follow the same protocol and report their concerns to the appropriate Committee members. The reported incident is investigated by the Chairman of the Audit Committee using reasonable efforts to protect confidentiality (consistent with the need to conduct an adequate investigation) throughout the process. Direct email access (Whistleblowing email) is provided to the Company's Audit Committee and the Company's outside counsel.



05

OUR APPROACH TO SUSTAINABILITY



We are committed on maintaining a steadfast and engaged stance to support our strategies towards Sustainability.

HIGHLIGHTS

Renewed materiality assessment
based on the GRI standards 2021 and on upcoming ESRS standards

Continuous strategic commitments
towards sustainability



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- II. Materiality assessment **//// 41**
- III. Stakeholder engagement **//// 46**



I. SUSTAINABILITY ROADMAP

GRI 2-13, 2-14, 2-23, 2-25

ESG GOVERNANCE

Safebulkers, a leading provider of marine transportation services, recognizes the significance of ESG factors and sustainable development and their impact on sustainable business practices. This sets the stage for Safebulkers' commitment to ESG governance as reflected in our sustainability report. The executive management has assigned the responsibility of formulating ESG strategy to the President of the Company, who has established two separate units: i) the Environmental Unit comprising of technical and IT top executives responsible to develop strategy and specific actions, internal procedures and controls, in relation to existing and forthcoming environmental regulations compliance and ii) the Social and Governance Unit comprising of company's executive officers responsible to develop strategy and specific actions for enhancing the social impact and the governance compliance of the Company. The ESG strategy is reviewed by the executive management and the required actions for its implementation are adopted by the Board of Directors. The Board of Directors from time to time is further advised by qualified third party consultants such as classification societies and lawyers for related recent developments. Lastly, our governance structure also encompasses the formation and publication of the Sustainability Report on an annual basis, which the Board of Directors takes heed of once approved by the executive management.



ESG STRATEGY

Safe Bulkers is poised to fully integrate Sustainability into its processes, with increased emphasis on the environmental aspects of its activities. The Company takes measures to prevent and mitigate potential negative impacts and addresses actual negative impacts, to remediate them based on their severity and likelihood. The Company is confident that its practices do not have a negative financial impact on the economy and remains mindful of its impacts on the environment – including sea-living organisms and non-living parts – by taking actions such as the installation of ballast water treatment plants in the whole fleet and the retrofitting of scrubbers (exhaust gas cleaning devices) on certain of its larger vessels. The Company is also committed to diminishing negative impact on individuals, communities, vulnerable groups, or the society, and has taken steps to address any negative impacts that may arise. As part of its commitment to social responsibility and corporate governance, the Company has established policies that apply to all employees, directors, officers, and agents, thus irrespectively of their position and role. Many of our Company's policies and procedures revolve around ESG issues, hence highlighting our commitment to Sustainability and ethical business practices. These include Sanctions Compliance, Anti-Bribery, General Data Protection, Safety and Health Protection, Environmental Policy, Drugs and Alcohol, Corporate Information Security, and Non-Harassment Policy. Additionally, our procedures and guidelines, including the Code of Business Conduct and Ethics and Corporate →



Disclosure Guidelines, align with ESG principles and regulations. All Policies and procedures have been approved by our Board of Directors and are regularly communicated to our employees directly by our President, thus demonstrating our dedication to upholding ESG values throughout our organization. More information on our strategy will be provided in the pertinent chapters, delineating in detail how our efforts transpose into practical initiatives.

OUR COMPANY IS COMMITTED TO REDUCING OUR ENVIRONMENTAL IMPACT AND INCREASING SUSTAINABILITY IN OUR BUSINESS.

The results of the above-described procedures is that we have placed ESG and sustainability in the center of our corporate strategy and invested significant capital and resources in enhancing the environmental competitiveness of our fleet and of our operations. In response to growing investor interest in ESG and environmental regulations, we have been implementing a strategy comprising of fleet renewal and expansion, fleet monitoring and upgrading, and research on future technologies. We are renewing our fleet with new, energy-efficient IMO GHG Phase 3 - NOx Tier III compliant newbuilds and at the same time selling older, less efficient ones. We implement a vessel real-time monitoring system measuring amongst others fuel consumption and emissions and develop internal procedures to optimize vessels' performance and commerciality leading to environmental upgrading decisions of existing vessels during their dry dockings. Furthermore, we are extensively working to assess developing energy efficiency technologies, identify the potential future alternative fuel (methanol, ammonia, hydrogen) in which we may invest, and develop carbon capture solutions suitable to certain of our vessels through pilot projects.

SAFE BULKERS POWER IN ESG IMPLEMENTATION

WE ARE DEDICATED TO INTEGRATING ESG PRINCIPLES INTO EVERY ASPECT OF OUR OPERATIONS AND REMAIN CONFIDENT THAT OUR EFFORTS WILL YIELD SIGNIFICANT RESULTS.

Our ESG strategy is currently being implemented, with various acquisitions of eco-friendly vessels and with our R&D team focusing on new biofuels usage. We are proud to have a fleet of 44 vessels, including 12 eco-ships built after 2014 that boast superior energy efficiency compared to pre-2014 designs. We have also invested in meeting the most recent IMO GHG Phase 3 - NOx Tier III regulations, with two such vessels delivered in 2022 and a third one in 2023, and in eight more such newbuilds in our orderbook that comply with the same regulations scheduled to be delivered until the first quarter of 2025. Following the delivery of these vessels, our fleet's energy efficiency will significantly improve, totaling 23 energy efficient vessels. We have invested over \$360 million in these newbuilds alone. Additionally, we are committed to upgrading our existing vessels and have completed environmental upgrades on six of our vessels and partially completed on one vessel with plans to upgrade 20 vessels in aggregate by the end of 2023. We have also sold eight older vessels and acquired seven younger ones, effectively reducing the average age of those vessels by five years, with a focus on environmentally friendly technologies. We believe that prioritizing ESG and sustainability will not only benefit the environment but also improve our competitiveness, build trust with investors, and ensure our unobstructed access to capital. On the financing front, we have secured sustainability-linked financing for 11 of our existing vessels and have invested over \$80 million in reducing emissions and improving our environmental impact.



II. MATERIALITY ASSESSMENT

GRI 3-1, 3-2

Safe Bulkers has taken steps to determine its material topics in accordance with the Global Reporting Initiative standards (GRI) 2021. This involved identifying the issues that are most important to both internal and external stakeholders, and which have the greatest impact on the environment, society, and economy. These topics are those that demonstrate the Company's impact on its external environment. To identify these material topics, the Company engaged with its stakeholders and evaluated the positive and negative impacts of its operations on the environment, society, and economy, while considering the Company's value chain and its potential impact on human rights at every aspect of its operations.

THE METHODOLOGY OF THE MATERIALITY ASSESSMENT WAS BASED ON THE FOLLOWING 5 STEPS:

1. UNDERSTAND THE ORGANIZATION'S CONTEXT

The materiality study was carried out from scratch, with consideration given to all topics from past years – this entailed both a reevaluation of previous material topics and a refresh of the process to attain them. As a result of examining our operations and value chain, we began the process of identifying our external environmental impacts which remain a core aspect of our operations. The Company held meetings with the supervisors of all departments to address the activities that have an impact on the environment, society, and economy, and consider the interplay with stakeholders, even if that meant impacts that may implicitly affect certain stakeholder groups.

2. IDENTIFY ACTUAL AND POTENTIAL IMPACTS

In order to identify the full spectrum of impacts from our activities and value chain, departments convened with the Company's management to understand the locations of impact in our operations, as well as who they affect. The identified impacts were evaluated as actual and potential impacts, the former impacts that occur or have occurred and the latter impacts that could possibly occur now or in the future. As an end result, an impact pool was created to incorporate detailed analyses of impacts, their types, along with Policies and procedures that have been taken to address them.

3. ASSESS THE SIGNIFICANCE OF IMPACTS

For the evaluation of our impacts, we calculated the severity and occurrence of impacts based on their scale, scope, reversibility and likelihood – the latter two applicable for negative and potential impacts respectively. We then established a cross-departmental discourse to successfully complete the evaluation, which entailed departments scoring their pertinent impacts. This meant that each department was responsible for a certain number of impacts, based on the theme that these impacts entailed. Therefore, the validity of the impact evaluation process was ascertained by allocating appropriate departments to their impacts of interest.



4. PRIORITIZE THE MOST SIGNIFICANT IMPACTS FOR REPORTING

For the evaluation of our impacts, we calculated the severity and occurrence of impacts based on their scale, scope, reversibility and likelihood – the latter two applicable for negative and potential impacts respectively. We then established a cross-departmental discourse to successfully complete the evaluation, which entailed departments scoring their pertinent impacts. This meant that each department was responsible for a certain number of impacts, based on the theme that these impacts entailed. Therefore, the validity of the impact evaluation process was ascertained by allocating appropriate departments to their impacts of interest.

5. ENGAGE WITH RELEVANT STAKEHOLDERS AND EXPERTS

As a final step in the materiality assessment process the Company engaged with its stakeholder groups for the prioritization of its material topics. Dialogue with the stakeholder groups being an enabler of progress and a validator of our strategy, we heeded to their prioritization. We will look to understand their concerns in our response to negative impacts, our propagation of positive impacts and on our Sustainability goals for the future.



THE 10 TOPICS WERE IDENTIFIED WHILE TAKING INTO ACCOUNT THE COMPANY'S FIELD OF ACTIVITY AND THE IMPACTS THAT ARISE OR ARE LIKELY TO ARISE FROM ITS ACTIVITIES, WHILE COVERING THE THREE ESG PILLARS (ENVIRONMENTAL, SOCIAL, GOVERNANCE).

MATERIAL TOPIC	IMPACT THEMES			SUSTAINABLE DEVELOPMENT GOALS	IMPORTANCE TO STAKEHOLDERS
ANTI-CORRUPTION AND BUSINESS ETHICS	Anti-corruption				●●● Extremely important
CLIMATE CHANGE ADAPTATION, EMISSIONS, AND ENERGY	Climate change mitigation strategies	Emissions	Energy	 	●●● Extremely important
WATER AND MARINE RESOURCES	Water management	Ecosystem protection		  	●●● Important



MATERIAL TOPIC	IMPACT THEMES				SUSTAINABLE DEVELOPMENT GOALS	IMPORTANCE TO STAKEHOLDERS
RESPONSIBILITY TOWARDS OUR WORKFORCE	Employment	Fair wages	Grievance mechanisms	Diversity and equal opportunities	 	 <p>Important</p>
OCCUPATIONAL HEALTH, SAFETY AND WELLBEING	Employee health and safety	Wellbeing			  	 <p>Very important</p>
ATTRACTING AND UPSCALING TALENT	Talent	Training			   	 <p>Important</p>
DATA SECURITY AND PRIVACY	Data security					 <p>Extremely important</p>
MANAGING OUR SUPPLY CHAIN	Supplier social assessment					 <p>Important</p>
OUR INTERACTION WITH LOCAL COMMUNITIES	Cultural capital	Local communities	Economic impact		 	 <p>Important</p>



HEATMAP OF MATERIAL TOPIC IMPORTANCE TO EACH STAKEHOLDER GROUP

	IMPORTANT	VERY IMPORTANT					EXTREMELY IMPORTANT			
STAKEHOLDER PRIORITIZATION MAP	ANTI-CORRUPTION AND BUSINESS ETHICS	CLIMATE CHANGE ADAPTATION, EMISSIONS, AND ENERGY	WATER AND MARINE RESOURCES	RESPONSIBILITY TOWARDS OUR WORKFORCE	OCCUPATIONAL HEALTH, SAFETY AND WELLBEING	ATTRACTING AND UPSCALING TALENT	DATA SECURITY AND PRIVACY	MANAGING OUR SUPPLY CHAIN	OUR INTERACTION WITH LOCAL COMMUNITIES	
ANALYSTS, CONSULTANTS & MEDIA	Very Important	Very Important	Important	Very Important	Very Important	Very Important	Very Important	Very Important	Very Important	
CERTIFICATION BODIES ¹	Very Important	Very Important	Important	Very Important	Very Important	Very Important	Very Important	Very Important	Very Important	
CUSTOMERS	Very Important	Extremely Important	Extremely Important	Extremely Important	Extremely Important	Extremely Important	Very Important	Extremely Important	Extremely Important	
FINANCIAL INSTITUTIONS	Very Important	Extremely Important	Extremely Important	Very Important	Extremely Important	Extremely Important	Important	Important	Extremely Important	
INDUSTRY ASSOCIATIONS & POLICY MAKERS	Very Important	Very Important	Important	Very Important	Very Important	Very Important	Very Important	Very Important	Important	
REGULATORS & GOVERNMENT BODIES AUTHORITIES	Very Important	Extremely Important	Important	Extremely Important	Very Important	Very Important	Very Important	Very Important	Very Important	
SEAFARERS	Very Important	Very Important	Extremely Important	Very Important	Very Important	Important	Very Important	Important	Very Important	
SHIPBROKERS & CHARTERERS	Very Important	Extremely Important	Extremely Important	Very Important	Extremely Important	Very Important	Very Important	Very Important	Important	
SHORE EMPLOYEES	Very Important	Extremely Important	Very Important	Very Important	Extremely Important	Very Important	Very Important	Very Important	Very Important	
SUPPLIERS	Very Important	Important	Important	Very Important	Very Important	Important	Very Important	Very Important	Very Important	

¹Self-identified stakeholder group



III. STAKEHOLDER ENGAGEMENT

GRI 2-29

Addressing the needs and expectations of our stakeholders is of utmost importance to us. Therefore, we endeavor to actively involve stakeholders in our efforts to enhance our services, minimize any potential adverse effects, and capitalize on opportunities to make a positive impact on the environment, society, and the economy. We consider our main stakeholder groups that influence and are affected by our activities and business processes, but also structural elements of our operations and activities. We are committed to increasing our discourse with our stakeholder to create relationships of trust and loyalty; hence we monitor their business and operational needs and develop effective communication plans to address them.

Safe Bulkers has identified the stakeholder groups that are most critical for its operations and linked them according to their influence and interests. For us to plan our activities and strategy, we evaluate the requirements of our stakeholders for environmental, social and economic aspects. Continuously interacting with our stakeholders is an endeavor for us, as we consistently strive to foster meaningful and reciprocal communication. We deliver information depending on the specifics of each stakeholder group, something that is also evident in the table below:

COMMUNICATION CHANNELS	FREQUENCY
ANALYSTS, CONSULTANTS & MEDIA	
FINANCIAL REPORT AND STATEMENTS	Annually
FORUMS AND DISCUSSION GROUPS	Periodically
DIRECT COMMUNICATION	Periodically
CONFERENCES	Periodically
WEBSITE	Periodically



COMMUNICATION CHANNELS	FREQUENCY
CIVIL SOCIETY (I.E., NGOS, LOCAL COMMUNITIES, ACADEMIA, RESEARCH INSTITUTIONS, UNIVERSITIES, ETC.)	
SOCIAL MEDIA	Periodically
WEBSITE	Periodically
PUBLIC MEETINGS AND CONSULTATIONS	Periodically
ANNUAL REPORT AND FINANCIAL STATEMENTS	Annually
FORUMS AND DISCUSSION GROUPS	Periodically
SUSTAINABILITY REPORT	Annually
CUSTOMERS (I.E., NATIONAL & INTERNATIONAL COMPANIES, TRADERS ETC.)	
CUSTOMER SATISFACTION SURVEYS	Annually
NEWSLETTERS	Periodically
SOCIAL MEDIA	Periodically
WEBSITE	Periodically
CUSTOMER SERVICE (IN PERSON, CUSTOMER SERVICE SUPPORT LINE)	Everyday



COMMUNICATION CHANNELS	FREQUENCY
FINANCIAL INSTITUTIONS (I.E., LENDERS, CREDITORS, INSURANCE COMPANIES)	
ANNUAL REPORT AND FINANCIAL STATEMENTS	Annually
SUSTAINABILITY REPORT	Annually
FORUMS AND DISCUSSION GROUPS	Periodically
INDUSTRY ASSOCIATIONS AND POLICY MAKERS	
INDUSTRY NETWORKING EVENTS AND FORUMS	Annually
PUBLIC MEETINGS AND CONSULTATIONS	Periodically
SUSTAINABILITY REPORT	Annually
CORPORATE PUBLICATIONS	Periodically
SOCIAL MEDIA	Periodically
WEBSITE	Periodically
WORKING GROUPS	Periodically



COMMUNICATION CHANNELS	FREQUENCY
REGULATORS & GOVERNMENT BODIES AUTHORITIES (NATIONAL & INTERNATIONAL, I.E., GOVERNMENT, REGULATORY AUTHORITIES, PORT AUTHORITIES, ETC.)	
ANNUAL REPORT AND FINANCIAL STATEMENTS	Annually
SUSTAINABILITY REPORT	Annually
AUDIT REPORTS	Annually
WORKING GROUPS	Periodically
SEAFARERS	
EMPLOYEE SATISFACTION SURVEYS	Annual
TRADE UNION NEGOTIATIONS	When required
INTRANET	Continuous
EMPLOYEE EVALUATION	Annually
COMMUNICATION ONBOARD THROUGH CAPTAINS	Continuous
ANNUAL REPORT AND FINANCIAL STATEMENTS	Annually
SUSTAINABILITY REPORT	Annually



COMMUNICATION CHANNELS	FREQUENCY
SHAREHOLDERS AND INVESTORS	
ANNUAL REPORT AND FINANCIAL STATEMENTS	Annually
SUSTAINABILITY REPORT	Annually
ANNUAL GENERAL MEETINGS	Annually
EXTRAORDINARY GENERAL MEETINGS	When required
PRESS RELEASES	Periodically
SHIPBROKERS AND CHARTERERS	
INDUSTRY NETWORKING EVENTS	Periodically
INDUSTRY ASSOCIATIONS AND FORUMS	Periodically
NEWSLETTERS	Periodically
ANNUAL REPORT AND FINANCIAL STATEMENTS	Annually
SUSTAINABILITY REPORT	Annually



COMMUNICATION CHANNELS	FREQUENCY
SHORE EMPLOYEES	
EMPLOYEE SATISFACTION SURVEYS	Annual
TRADE UNION NEGOTIATIONS	When required
INTRANET	Continuous
EMPLOYEE EVALUATION	Annually
COMMUNICATION ONBOARD THROUGH CAPTAINS	Continuous
ANNUAL REPORT AND FINANCIAL STATEMENTS	Annually
SUSTAINABILITY REPORT	Annually



COMMUNICATION CHANNELS	FREQUENCY
SUPPLIERS (PRODUCTS & SERVICES PROVIDERS)	
SOCIAL MEDIA	Periodically
WEBSITE	Periodically
PUBLIC MEETINGS AND CONSULTATIONS	Periodically
ANNUAL REPORT AND FINANCIAL STATEMENTS	Annually
FORUMS AND DISCUSSION GROUPS	Periodically
SUSTAINABILITY REPORT	Annually
PEERS/COMPETITORS	
MARKET RESEARCH	Periodically
WEBSITE	When required
CONFERENCES	Periodically



06

EMPOWER AND CONSERVE NATURE



Our main focus is to adhere to the applicable frameworks within the shipping industry, while establishing objectives to enhance and renew our current fleet, as well as increasing our positive impact on the environment.

HIGHLIGHTS

5.8% Decrease in AER compared to 2021	9% Increase of transport work maintaining similar carbon footprint compared to 2021	2 New Buildings IMO EEDI Phase 3, NOx Tier III	5 Vessels upgraded environmentally	2910mt Biofuel consumption in 2022
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SECTION CONTENTS

- I. Climate change adaptation, emissions, and energy **//// 55**
- II. Water and marine resources **//// 80**



I. CLIMATE CHANGE ADAPTATION, EMISSIONS, AND ENERGY



MATERIAL TOPIC

GRI 3-3, 302-1, 305-1

SASB TR-MT-110A.1, TR-MT-110A.3, TR-MT-110A.4

FRAMEWORK

Even though the shipping industry operates 90% of world trade by volume globally, it only accounts for 1.7% of global GHG emissions² making it the most efficient facilitator of international trade per weight to distance (ton-mile) ratio. The Paris Agreement, signed in 2016, established a global goal to limit the increase in global temperature to well below 2°C in comparison to pre-industrial levels. Concerning this, the shipping industry is a significant contributor to Climate Change, and steps are being taken to reduce its environmental impact and promote sustainable shipping practices.

PHENOMENA

GREEN HOUSE GAS EMISSIONS

Air pollution, caused by emissions from various sources, has a significant impact on the planet's health. Among the types of air pollution, greenhouse gas (GHG) emissions, including carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), have been identified as one of the most critical drivers of Climate Change.

POLLUTANT AIR EMISSIONS

In addition to GHG emissions, the shipping industry is also a source of other air pollutants, including sulphur oxide (SO_x) and nitrogen oxide (NO_x). These pollutants can cause acid rain, smog, and other air quality issues that have adverse effects on human health and the environment.

SEAWATER POLLUTION

Water pollution, particularly in the form of oil spills and marine debris, is another significant threat to the marine environment's health. Shipping activities contribute to marine pollution and can have severe consequences on marine ecosystems and biodiversity.

²according to the Food and Agriculture Organization of the United Nations (FAOSTAT).



ENVIRONMENTAL REGULATIONS

International, EU and USA environmental regulations for air pollution in the maritime industry aim to reduce GHG emissions, which are a significant contributor to climate change.

IMO

The International Maritime Organization (IMO) has developed a GHG strategy that aims to reduce total GHG emissions from the shipping industry by at least 50% until 2050 compared to 2008 levels. The strategy includes various measures, such as improving the energy efficiency of ships, promoting the use of low-carbon and zero-carbon fuels, as well as encouraging the development and deployment of new technologies.

EU

The European Commission has also implemented regulations to reduce GHG emissions in the maritime industry. The EU's Monitoring, Reporting, and Verification (MRV) Regulation requires ships calling in EU ports to monitor and report their carbon emissions. In addition, the EU's Emissions Trading System (ETS) includes the maritime industry in its scope, indicating that ships must comply with the ETS and purchase carbon allowances to offset their emissions.

ENVIRONMENTAL PROTECTION AGENCY (EPA)

The Environmental Protection Agency (EPA) and the IMO have established a regulation framework to control and prohibit the water discharges and the ships' ballast water and sediments. The EPA regulates through Vessel General Permit (VGP) and IMO through the Prevention of Pollution from Ships (MARPOL) and Ballast Water Management Convention, accordingly.

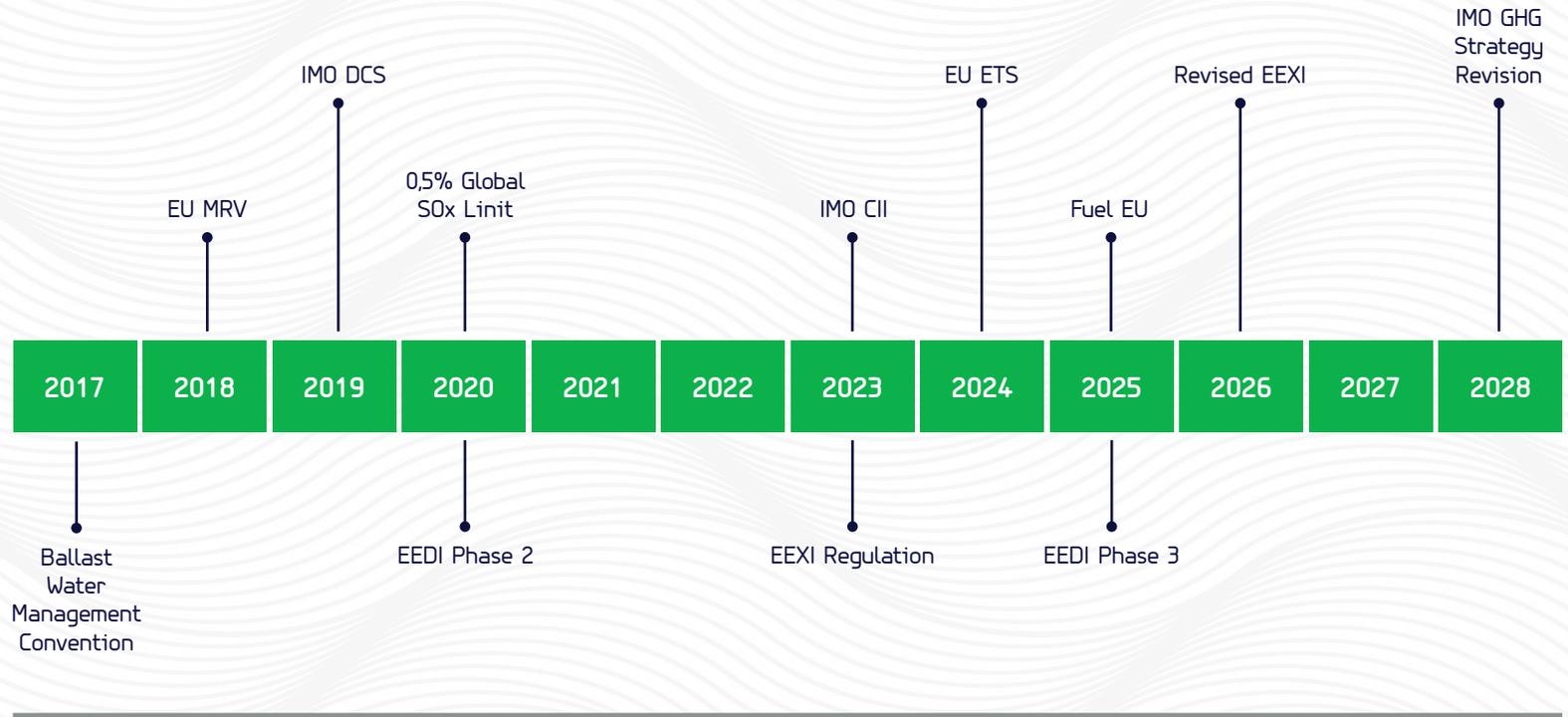
THIRD-PARTY AUTHORITIES

- The Poseidon Principles is a global framework for assessing and disclosing the GHG emissions of ships that aims to align financial institutions' shipping portfolios with the IMO's GHG strategy, and
- The Sea Cargo Charter is a voluntary framework for shippers and charterers to measure and report their GHG emissions, while RightShip GHG is a rating system that assesses a ship's carbon efficiency.





REGULATIONS TIMELINE

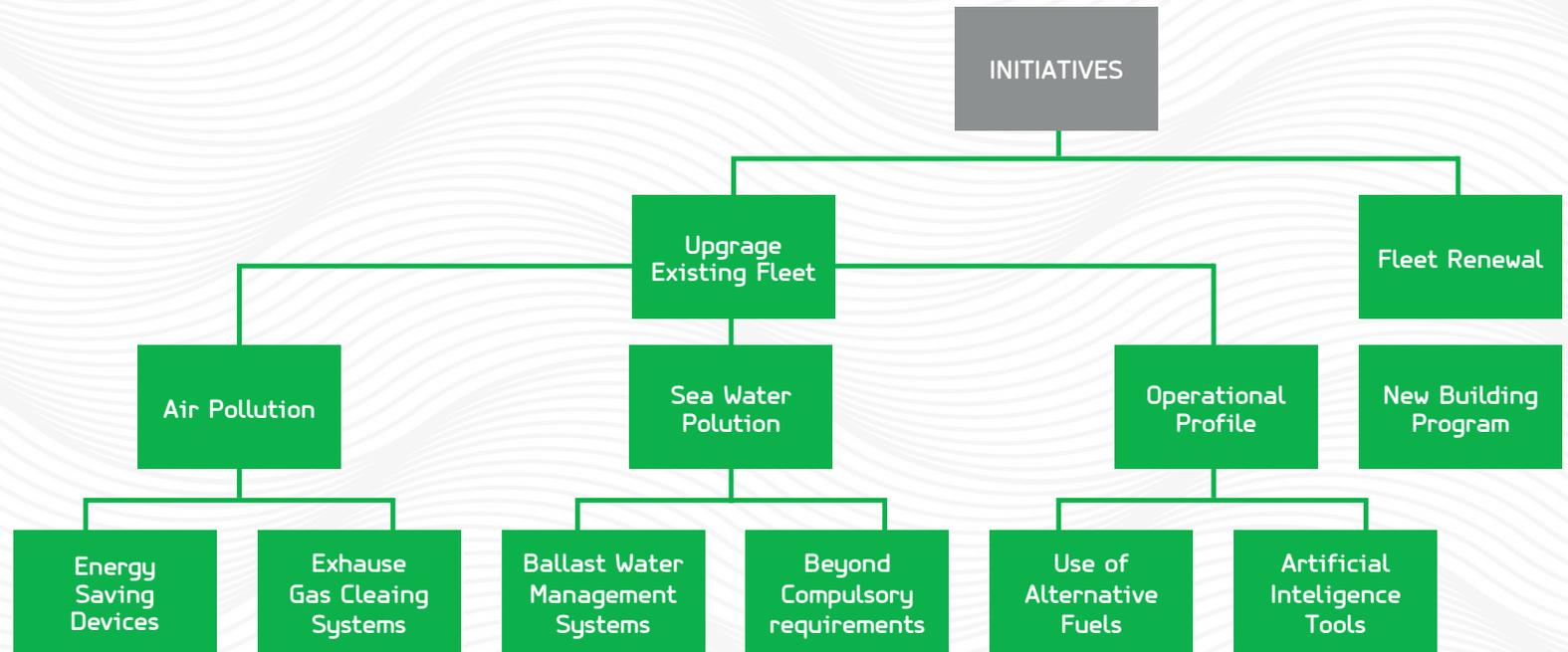




OUR COMMITMENT

For our Company, mitigation of Climate Change impacts is a high priority, thus we are fully committed to contribute to Climate Change mitigation in every aspect of our activities. We are committed to reduce our environmental footprint and promote sustainable shipping practices.

OUR INITIATIVES PLAN





ESG GOALS	PROGRESS	GOAL BEYOND REGULATION
Acquire 5 EEDI Phase 3, NOx Tier III compliant N/Bs in 2023, 3 N/Bs in 2024 and 1 N/B in 2025	●●●●○	✓
Upgrade existing fleet by 20 vessels in total by the end of 2023	●●●●○	✓
EGCS installations completion of all Capesizes by Q1 2024	●●●●○	✓
Consume at least an average of 2,000 tons of biofuel each year	continuous	✓

OUR IMPACTS

IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
CLIMATE CHANGE MITIGATION STRATEGIES	Safe Bulkers has developed an ESG-related Policy, which serves as a guiding framework for its operations. This Policy ensures that the Company actively contributes to the identification and monitoring of environmental risks, thereby improving its overall management and ensuring responsible practices in relation to environmental aspects.	 Actual 
CLIMATE CHANGE MITIGATION STRATEGIES	Safe Bulkers has set ambitious goals for 2025 concerning vessel environmental compliance. These goals reflect the Company's commitment to meeting and surpassing regulatory requirements, thus ensuring that its vessels adhere to the highest environmental standards. This way, the Company actively works towards aligning with environmental regulations, ensuring compliance and promoting responsible practices.	 Potential 



IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
CLIMATE CHANGE MITIGATION STRATEGIES	Safe Bulkers has developed an environmental strategy to guide its actions and initiatives in relation to environmental sustainability in order to contribute to the mitigation of its environmental impacts.	 Actual 
CLIMATE CHANGE MITIGATION STRATEGIES	Safe Bulkers conducts annual environmental risk assessments to evaluate and identify potential environmental risks associated with its operations, in order to establish Climate Change mitigation strategies. These assessments help the Company understand the environmental impact of its activities and implement appropriate measures to minimize and mitigate those risks. By conducting regular assessments, Safe Bulkers demonstrates its commitment to proactive environmental management and continuous improvement.	 Actual 
CLIMATE CHANGE MITIGATION STRATEGIES	Safe Bulkers has placed Climate Change goals regarding present and mid-term regulatory frameworks. According to current and upcoming environmental regulations, the Company has adopted 4 goals. The above ensure that the Company has established a clear-cut plan to minimize emission adversities.	 Actual 
CLIMATE CHANGE MITIGATION STRATEGIES	Safe Bulkers invested in Tier III newbuild vessels – This investment ensures that the company actively reduces its harmful air emissions.	 Actual 



IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
EMISSIONS	<p>Safe Bulkers is actively engaged in a fleet renewal program. This program involves the systematic replacement or upgrade of older vessels with newer and more efficient ones. As a result, the Company is investing in greener technologies by improving vessel performance and evaluating alternative fuels, including the use of biofuels. This initiative contributes to mitigating Climate Change.</p>	 Actual 
EMISSIONS	<p>Safe Bulkers actively monitors vessel emissions to assess and manage their environmental impact, in order to establish Climate Change mitigation strategies. As a result, the Company identifies instances of emission increase and developing action plans to effectively reduce them.</p>	 Actual 
EMISSIONS	<p>Safe Bulkers implemented power limitation measures on vessels to comply with EEXI regulations. The Company has imposed relevant measures (i.e., power limitation via Shaft Power Limitation system, Engine Power Limit). The Company's actions resulted in reducing vessel design characteristics (i.e., Maximum Continuous Power) concerning carbon emissions.</p>	 Actual 
ENERGY	<p>Safe Bulkers invested in upgrading existing vessels – using advanced features such as ultra-low friction paints, ducts, and alternative fuels in order to succeed in reducing greenhouse gas (GHG) emissions. This investment ensures that the Company has enhanced vessel energy efficiency and reduced emissions rates.</p>	 Actual 
ENERGY	<p>Safe Bulkers installed scrubbers exhaust gas cleaning devices on about 50% of its fleet as a measure to reduce Sulphur Oxide (SOx) emissions, thus ensuring that the Company actively reduces its harmful air emissions.</p>	 Actual 



OUR COMMITMENT

ENVIRONMENTAL STRATEGY

As a Company deeply engaged in the marine transportation industry and cognizant of the ecological consequences of our core pursuits, we are fully committed to safeguarding the environment through our ESG strategy and preventing any form of pollution throughout our operations. The executive management has assigned the responsibility of formulating the Environmental strategy as part of the broader ESG strategy to the President of the Company, who has established the Environmental Unit comprising of technical and IT top executives responsible to develop strategy and specific actions, internal procedures and controls, in relation to existing and forthcoming environmental regulations compliance. The Environmental strategy is reviewed by the executive management and all required actions for its implementation are adopted by the Board of Directors. The Board of Directors from time to time is further advised by qualified third party consultants such as classification societies for the recent developments. The main focus of our environmental strategy is to compete with our peers on the basis of improved energy efficiency and reduced carbon footprint. We have been implementing a strategy comprising of fleet renewal and expansion, fleet monitoring and upgrading, and research on future technologies. We are renewing our fleet with new, energy-efficient IMO GHG Phase 3 - NOx Tier III compliant newbuilds and at the same time selling older, less efficient ones. We implement a vessel real-time monitoring system measuring amongst else fuel consumption and emissions and develop internal procedures to optimize vessels' performance and commerciality leading to environmental upgrading decisions of existing vessels during their dry dockings. Furthermore, we are extensively working to assess developing energy efficiency technologies, identify the potential future alternative fuel (methanol, ammonia, hydrogen) in which we may invest, and develop carbon capture solutions suitable to certain of our vessels through pilot projects. All our new buildings on order are designed to meet the EEDI Phase 3-NOx Tier III regulations, with the aim of being highly energy-efficient and producing fewer emissions. As a result the fleet will be gradually renewed by selling older less efficient vessels and taking delivery of such newbuilds, or opportunistically with second hand younger vessels with improved design characteristics. The real-time monitoring facilitates the monthly evaluation of CII of the fleet and may lead to speed-consumption optimization which improves the environmental rating of the vessel and its commerciality; decisions about hull cleaning that can be taken at early stage resulting to reduced fuel consumption and decisions in relation to timing of environmental upgrading of existing fleet to meet the required carbon emissions' regulations. Furthermore, such monitoring allows for the valuation of the vessel environmental upgrades after their implementation based on specific metrics. The Company has also proceeded in the establishment of an environmental R&D team to assess the feasibility of vessels fueled by alternative fuels (methanol, ammonia, hydrogen) or biofuels, the retrofitting of carbon capture devices through the development of pilot projects and the evaluation and proposal of energy saving devices for the planned environmental upgrades of the existing fleet (e.g., Wind-Assisted Ship Propulsion, ducts, fins, LED lights). All our efforts contribute to the Company's clear-cut plan to minimize any emission adversities and set goals for 2025, in order for its vessels to be environmentally compliant and to adhere to high environmental standards. The result of actions described above is the extensive investment in newbuilds, the sale of older vessels, the use of biofuels, the environmental upgrades of existing fleet during dry-dockings, the enhanced monitoring of vessel performance and optimization of charter parties, the overall improvement of our fleet's environmental rating, as well as the formulation of strategies towards our future actions to mitigate risks and costs in relation to ETS and Fuel EU implementation the following years.



ENVIRONMENTAL POLICY

As a Company deeply engaged in the marine transportation industry and cognizant of the ecological consequences of our core pursuits, we are fully committed to safeguarding the environment and preventing any form of pollution throughout our operations. This Policy enables the Company to comprehensively assess the impact of its activities, both on land and at sea, and subsequently develop guidelines to safeguard the environment from any potential harm. Our mission is to conduct our operations with a sense of responsibility towards the environment and the communities we serve. We strive to minimize any negative impact on the environment and maintain a zero-spill record. To achieve this, we will strictly adhere to all relevant regulations and implement industry standards to respond to any environmental incidents that may arise. It is our goal to work closely with organizations and authorized agencies to achieve our goal. We also prioritize the environmental performance of our employees and provide them with environmental awareness training both onboard and ashore. The Company evaluates its operations by measuring progress, to ensure compliance with the Environmental Policy. Furthermore, we assess incidents that may happen to our peers, in order to leverage them towards preventing future incidents, while ensuring efficient handling of waste and emissions; this approach represents a proactive method towards environmental management. The Company also provides all necessary resources to enable office and ship personnel to perform their duties with regard to the Safety Management System (SMS), by making sure that third parties involved with the Company's activities are aware of and comply with this Environmental Policy. Safe Bulkers has a zero-tolerance Policy for crew member and employee actions, or inactions related to the application of environmental laws and regulations, including oil discharge, illegal dumping of trash or sewage at sea, air pollution from the use of non-compliant fuel in environmentally sensitive areas, and any other behavior that negatively affects the environment. The Company's Environmental Policy is consistently reviewed to ensure that it is up to date with the scope of operations and potential environmental effects. In an effort to maintain a high level of awareness and compliance, the Environmental Policy is made available on all vessels of the fleet and frequently communicated to all shipboard personnel during onboard meetings.

OPERATIONAL PROFILE

With the aim of continuously improving energy efficiency and reducing energy consumption in the office buildings, our Company is setting up an Environmental Management System (EMS) in accordance with ISO 14001 and ISO 50001. We are also utilizing the potential of artificial intelligence techniques to enhance the operational performance of our current fleet. This enables us to find areas for improvement and adopt strategies to reduce fuel usage and emissions, by evaluating data on vessel operations. We are dedicated to encouraging sustainable shipping methods and minimizing our environmental effect through these activities. Additionally, the Sustainability performance of our fleet in 2022 has been positively impacted by our investment in biofuel, noting a 730% increase in biofuel consumption, in comparison to last year. It must be distinguished that the industry standard fossil fuels have a carbon factor that is on average 30% higher than a biofuel. Moreover, we provided and used 2,910 tons of biofuel across four vessels in 2022, which resulted in a reduction of 2,516.48 tons in our overall CO2 emissions attributed to fossil fuels. Furthermore, by harnessing the utilization of certain tools, we are committed to investing in sustainable technologies that align with our overarching goal of increasing efficiency while utilizing eco-friendly biofuels. While we acknowledge that these actions do have a measurable impact on environmental metrics, we firmly believe in the long-term benefits of this approach. Lastly, by optimizing our vessels' speed, we have the power to enhance our environmental performance and decrease our carbon footprint, all while striving towards long-term Sustainability.



ENVIRONMENTAL AWARENESS OF OFFICE AND SHIPBOARD PERSONNEL

At our Company, we hold a strong commitment to raise awareness and knowledge among our personnel regarding environmental concerns both on and off the vessel. To achieve this goal, we have developed and implemented a comprehensive training program that spans several phases. In the first phase of our project – which took place in 2021, we facilitated a comprehensive training session for our shore staff, aimed at ensuring their compliance with our Company's environmental policies and procedures. By equipping our personnel with the necessary knowledge and skills, we are able to uphold our internal regulations and maintain our commitment to Sustainability. By the end of 2023 (phase II), we will inform people about important environmental information and news. The final phase – taking place in 2024, is about organizing an environmental idea annual award (APA Environmental Annual award) among employees and creating an energy-conservation work culture in the office. By this initiative, we strive to motivate our employees to operate responsibly and become creative regarding environmental innovations.

ENERGY EFFICIENCY – RENEWING THE FLEET

Since 2018, Safe Bulkers has invested on innovations regarding environmental performance in its operations. In order to further enhance our technological capabilities, we have allocated about \$210.3 million towards the upgrading of BWTS, EGCS, Hull Duct, New Buildings, and ultra low frictions paints (ULFP) by the year 2022 and have committed another \$244.7 million in aggregate, in environmental investments until 2025. To provide a comprehensive overview of our technological investments, we have included a detailed breakdown of our expenditures from 2018 to present, as well as our projected investment plan until 2025.

Investment types	2025	2024	2023	2022	2021	2020	2019	2018
BWTS	-	-	\$0.2 M	\$2.3 M	\$2.9 M	\$5.6 M	\$3.9 M	\$3.5 M
EGCS	-	-	\$2.5 M	\$6.1 M	\$1.3 M	\$10.3 M	\$39.0 M	\$5 M
HULL DUCT	-	\$0.1 M	\$1.1 M	\$1.6 M	\$0.1 M	-	-	-
NEW BUILDINGS	\$15.8 M	\$72.4 M	\$147.8 M	\$73.9 M	\$43.4 M	\$8.8 M	-	-
ULFP	-	\$0.4M	\$4.4 M	\$2.3 M	\$0.3 M	-	-	-
TOTAL	\$15.8 M	\$72.9 M	\$156.0 M	\$86.2 M	\$48.0 M	\$24.70 M	\$42.90 M	\$8.50 M



FLEET RENEWAL INITIATIVE PLAN

We acknowledge that environmental conservation is crucial for our survival, not only as a maritime transportation Company but also as individuals. In this context, we have embarked on an extensive investment program mainly focused on our fleet renewal program. This means that we are selling our oldest and less efficient vessels and investing in relatively younger and more efficient second-hand vessels, as well as state-of-the-art Japanese built newbuild vessels. During 2021 and 2022, we sold 7 older Chinese built vessels with \$109.8 million proceeds on aggregate, 14.3 years average age and 0.55 million tons deadweight, and replaced them with 7 second-hand vessels with \$187.0 million acquisition cost, 9.2 years average age and 0.97 million tons deadweight.

EEDI-PHASE 3, NOX TIER III COMPLIANT NEW BUILDINGS PLAN

To ensure that our newbuild vessels meet the highest environmental standards, we have also invested in the latest available technologies and innovations, with a focus on reducing GHG, SOx, and NOx emissions. We are dedicated to minimizing our environmental impact and advancing sustainable shipping practices, as reflected in our orderbook consisting of cutting-edge ships. In relation to this, all of the vessels are built to the EEDI-Phase 3, NOx Tier III standard, defining them as the most energy-efficient and low-emission vessels currently available of each relative size and type.

Eleven new vessels will be built by the Company as part of its new building program by 2025, with two of those having already been delivered within 2022. The EEDI-Phase 3, Tier III standard was met by all the vessels during their designation, translating to increased energy-efficiency, commercial competitiveness low fuel emissions; meeting the Energy Efficiency Existing ship Index (EEXI) and EEDI regulations firmly depends on the ship's design. Additionally, the Company's average fleet age is maintained at the same levels as it is today through the first quarter of 2025, when all our orderbook will have been delivered, formulating a clear environmental based competitive advantage in line with our sustainable vision.





BELOW WE PRESENT OUR NEW BUILDINGS ORDERBOOK CONSISTING OF THE TYPE OF VESSELS AND THE DUE DATE OF THEIR DELIVERY

VESSEL	TYPE	VESSEL DELIVERY
M/V VASSOS	Kamsarmax 82k	Delivered Q1 2022
M/V CLIMATE RESPECT	Post Panamax 87k	Delivered Q2 2022
M/V CLIMATE ETHICS	Post Panamax 87k	Q1 2023
M/V CLIMATE JUSTICE	Post Panamax 87k	Q2 2023
TO BE NAMED	Kamsarmax 82k	Q4 2023
TO BE NAMED	Kamsarmax 82k	Q4 2023
TO BE NAMED	Kamsarmax 82k	Q4 2023
TO BE NAMED	Kamsarmax 82k	Q1 2024
TO BE NAMED	Kamsarmax 82k	Q1 2024
TO BE NAMED	Kamsarmax 82k	Q3 2024
TO BE NAMED	Kamsarmax 82k	Q1 2025

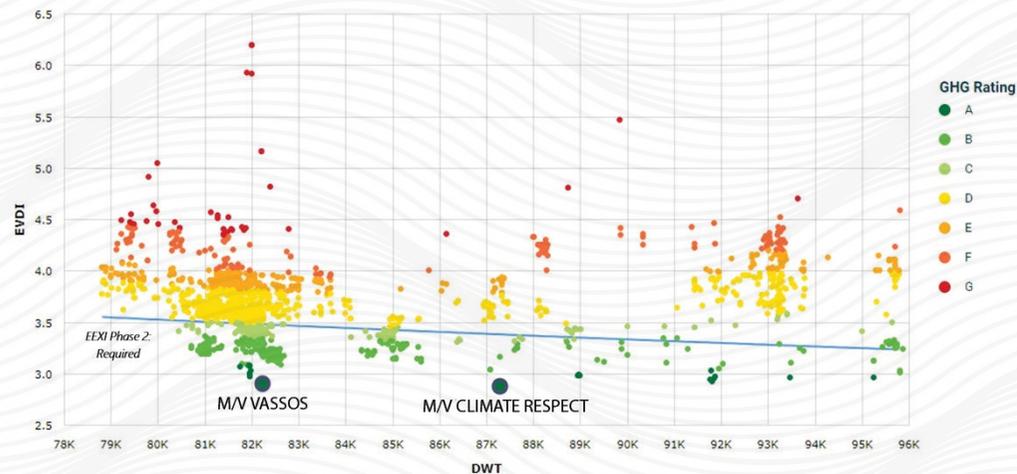


NEW BUILDING PROGRAM ASSESSMENT

PERFORMANCE ASSESSMENT POST-PANAMAX 87K AND KAMSARMAX 82K

The Green House Gas (GHG) RightShip rating is a widely recognized measure of a ship's design efficiency. This rating system classifies vessels based on this efficiency, with RightShip, an impartial third party global provider of maritime risk management and environmental evaluation services, developing this GHG rating index. The rating is represented by a five-star system, with one star indicating the lowest rating and five stars the highest. By comparing a vessel's environmental impact to that of similar vessels worldwide, the GHG rating provides a clear indication of its performance. Vessel efficiency can be described by their design index. RightShip's GHG rating indicates how efficient is a vessel compared to its peers and in that regard, our M/V Climate Respect and M/V Vassos have a size score of 2.57 and 2.4, respectively, rating the vessels as one of the most energy-efficient vessels of their vessel type, while our M/V Climate Respect and M/V Vassos have 45.5% and 30.8% improved AER compared to their fleet peer vessels, respectively.

ENERGY EFFICIENCY DESIGN INDEX (EEDI)	2022	2021	2020
KAMSARMAX: MV VASSOS	2.97	N/A	N/A
POST-PANAMAX: MV CLIMATE RESPECT	2.87	N/A	N/A





POST PANAMAX JAPANESE N/B COMPARISON

VESSEL	AGE (YEARS)	ANNUAL EFFICIENCY RATIO (GR CO ₂ / DWT - MILE)	IMPROVED AER %
CLIMATE RESPECT	0.73	2.16	-45.5%
FLEET POST PANAMAX VESSELS	11.90	3.97	-

ANNUAL EFFICIENCY RATIO (GR CO₂ / DWT - MILE)

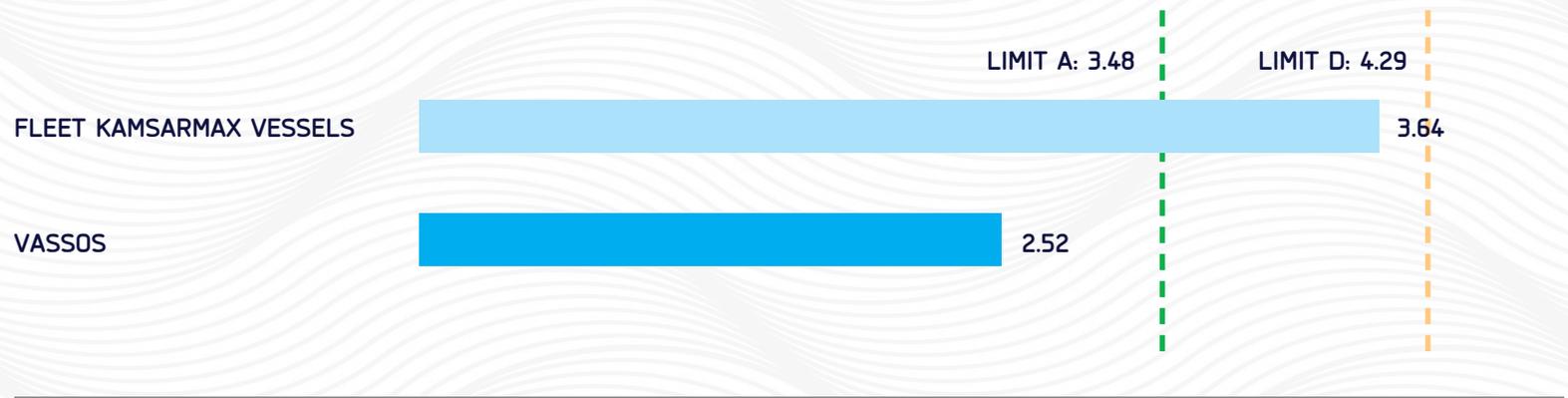




KAMSARMAX JAPANESE N/B COMPARISON

VESSEL	AGE (YEARS)	ANNUAL EFFICIENCY RATIO (GR CO ₂ / DWT - MILE)	IMPROVED AER %
VASSOS	0.93	2.52	-30.8%
FLEET KAMSARMAX VESSELS	11.90	3.64	-

ANNUAL EFFICIENCY RATIO (GR CO₂ / DWT - MILE)





ENVIRONMENTAL UPGRADES – IMPLEMENTING INNOVATION

ENERGY SAVING AND ENVIRONMENTAL UPGRADES

We are continuing our fleet upgrade program, especially in relation to existing and forthcoming GHG emission regulations, involving the application of low friction paints and installation of energy saving devices – it is scheduled to have 20 upgraded vessels by the end of 2023. During 2022, we completed such environmental upgrades on five vessels, namely the MVs Efrossini, Pedhoulas Rose, Venus Horizon, Sophia and Pelopidas, and partially completed environmental upgrades on the MV Maria.

Furthermore, we continued our existing programs for:

I / Ballast Water Treatment Systems (BWTS)

II / the voluntary installation of Sulphur Oxides (SOx) Exhaust Gas Cleaning Systems (EGCS), known as scrubbers in the remaining five Capesize vessels.

We closely monitor all regulations that target a smooth transition to a decarbonized operational future. We have tested biofuels with lower carbon content, while we continue to assess the use of alternative zero or lower carbon fuels, which we expect will be developed by the end of this decade. We prefer to be early movers in adopting technological developments, thus targeting to comply with the regulations and gain competitive advantage. In conjunction with our new building initiatives, we have implemented a short-term strategy to save energy, that incorporates enhancing the environmental efficiency of our current vessels via design and operational enhancements. This investment is a testament to our commitment to Sustainability and responsible stewardship of our resources. The plan's goal is to improve the Carbon Intensity Indicator (CII) index of the fleet. Six dry docks for environmental improvement that included ULFP, and two hull ducts were completed in 2022, with plans to perform a total of 21 dry dockings by the end of 2024, including 20 ULFP applications and 14 hull duct installations. Through these investments, we aim to reduce our carbon footprint and operate more sustainably in the long run. In addition, we shall be introducing some new energy conservation measures into our offices. The initial stage of this strategy (scheduled for 2023) involves the installation of environmentally friendly, energy-efficient lighting to decrease energy consumption. The subsequent phase (scheduled for 2024) entails the shift to less power-consuming computer screens, specifically LCD, and the substitution of the current ones through recycling initiatives. The following table presents the aggregate historical and future installations of energy saving devices as of December 31, 2022:



ENERGY SAVING DEVICE INSTALLATION	2024	2023	2022	2022
HULL DUCT	14	13	2	-
ULTRA LOW FRICTION PAINTS	20	19	6	1



The benefit of the application of Ultra Low Friction Paints (ULFP) can be seen from the Improvement in Annual Efficiency Ratio (AER). ULFP has been applied to 2 of our Post Panamax vessels; specifically, to M/V Venus History and M/V Venus Horizon, as shown below. Based on the application of the ULFPs, the average reduction of in Annual Efficiency Ratio (AER) for the above mentioned Post Panamax vessels is approximately 12%. The average AER can be influenced by various factors, such as the operational profile of the vessel and the external conditions during its voyage. The charterer's orders, the cargo being carried, the weather conditions and other factors can impact the vessel's performance in terms of energy efficiency and emissions. Therefore, it is important to consider all these factors when analysing the fleet's emissions profile and identifying opportunities for improvement.



ANNUAL EFFICIENCY RATIO (GR CO₂ / DWT – MILE)



VESSEL	ENERGY SAVING DEVICES	INSTALLATION DATE	AER (G CO ₂ /DWT-MILE) % DIFFERENCE FROM 2021
VENUS HISTORY	ULFP	OCTOBER 2021	-15.6%
VENUS HORIZON	ULFP	MAY 2022	-8.4%



BIOFUEL SUPPLY IN 2022 AND VESSEL'S OPERATION OPTIMIZATION

Biofuels are an adequate approach for integrating Sustainability within our fleet, yet it is a process that requires thorough investigation from the R&D department in order to verify economic feasibility, but also efficiency in Sustainability terms. In 2022, we experienced a significant improvement in the Sustainability performance of our fleet, partly attributed to the use of biofuel; compared to the previous year, we had access about seven times more biofuel, as shown in the table below:



VESSEL	BIOFUEL TYPE	QUANTITY CONSUMED (T)	CO ₂ EMISSIONS REDUCTION (T CO ₂ e)
KYPROS LOYALTY	B30	670.6	592.81
KYPROS SPIRIT	B30	938.97	806.58
PEDHOULAS CEDRUS	B30	600.71	516.01
STELIOS Y	B30	699.75	601.09
TOTAL	B30	2910.03	2516.48



EMISSIONS PROFILE – CO₂ EMISSIONS

OUR EMISSIONS GOAL

Our fleet's emissions profile is assessed by the two regulatory-environmental indicators that measure carbon intensity and energy efficiency. The AER measures a vessel's fuel efficiency over the course of a year, based on the total fuel consumed, distance travelled and vessel's deadweight. Similarly, the Energy Efficiency Operational Index (EEOI) is an analogous measure of a vessel's energy efficiency, which considers the cargo carried instead of deadweight. These indicators provide information on our Company's environmental impact and can help guide efforts to reduce emissions and improve energy efficiency. The following table presents selected information as of December 31, 2022:

FLEET EMISSION PROFILE (2021–2022)	2022	2021	VARIATION
NUMBER OF VESSELS	44	39	12,8%
AVERAGE AGE	10.9	10.5	4,0%
AVERAGE DWT (T)	101,142	95,970	5,4%
AVERAGE DISTANCE (NM)	57,929	56,084	3,3%
AVERAGE CO ₂ EMISSIONS (TN)	19,457	18,973	2,6%
AVERAGE AER (G CO ₂ /DWT-MILE)	3.32	3.53	-5,8%
AVERAGE EEOI (G CO ₂ /T-MILE)	6.46	6.97	-7,3%



Safe Bulkers has made progress in improving its emissions profile, achieving a 5.8% and 7.3% reduction in AER and EEOI, respectively. However, due to the an increase in the transport work, our annual CO2 emissions have slightly increased. Nonetheless, we have maintained a relatively stable average fleet age as a result of our newbuild deliveries and of our fleet renewal program, which is an indicator of our commitment to Sustainability.

We aim to set the standard for compliance with forthcoming international regulations and surpass the required AER levels. The following table presents selected historical and future information as of December 31, 2022:

FLEET EMISSION PROFILE PROJECTION (2021–2025)	2025	2024	2023	2022	2021
VESSELS	52	51	48	44	39
AVERAGE AGE	11.6	10.8	10.4	10.9	10.5
AVERAGE AER (G CO₂/DWT–MILE)	-	-	-	3.32	3.53
FLEET AVERAGE VARIANCE FROM CII REQUIREMENTS	-	-	-	-5.1%	-2.8%

Whereas fleet size and average age is based on contractual agreements with shipyards and on the assumption that no vessels' sales will take place within the projected period, fleet average AER which is related not only to each specific vessel's size but also on operational and trading patterns should not be projected. However, the Company has a concise plan for environmental upgrades and fleet renewals that would lead to maintain an improved AER compared to AER requirements the following years.

Furthermore, the Company plans to increase its renewable fuel consumption not only by using biofuels but also by investing in alternative synthetic dual fuel vessels to be delivered between 2025–2030, potentially mitigating the risks of increasing environmental taxation and use of fossil fuels the following years as average fuel carbon content will be reduced.



EMISSION PROFILE PER VESSEL TYPE

IMO Carbon Intensity Indicators (CII) are related to a large extent to the size of the vessel, thus a larger vessel has inherently lower CII. As a result, further analysis per vessel type is required in order to isolate and assess the actual improvements or variations of CO₂ emissions from year to year.

The Annual Efficiency Ratio (AER) measures a vessel's fuel efficiency over the course of a year, based on total CO₂ emissions, distance travelled and deadweight.

- In 2022, even though our Capesize fleet has traveled on average 20% **more** distance in nautical miles it emitted on average only 8% **more** CO₂ emissions compared to 2021. This resulted in a **significantly improved** AER in 2022 by 10% compared to 2021.
- In 2022, our Post-panamax fleet has traveled on average 4% **less** distance in nautical miles emitting on average 6% **less** CO₂ emissions vs 2021. This resulted in as **improved** AER in 2022 by 2% compared to 2021.
- In 2022, our Kamsarmax fleet has traveled on average 5% **more** distance in nautical miles emitting on average **same** CO₂ emissions vs 2021. This resulted in a **significantly improved** AER in 2022 by 5% compared to 2021.
- In 2022, our Panamax fleet has traveled on average 8% **more** distance in nautical miles and emitted on average 8% **more** CO₂ emissions vs 2021. This resulted in a stable AER in 2022 compared to 2021.

The Energy Efficiency Operational Index (EEOI) is a similar measure of a vessel's energy efficiency, that considers the cargo carried instead of deadweight.

- In 2022, even though our Capesize fleet has traveled on average 20% **more** distance in nautical miles and carried 6% **more** cargo on average, it emitted on average only 8% **more** CO₂ emissions vs 2021. This resulted in a **significantly improved** EEOI in 2022 by 15% compared to 2021.
- In 2022, our Post-panamax fleet has traveled on average 4% **less** distance in nautical miles and carried 1% **more** cargo on average, emitting on average 6% **less** CO₂ emissions vs 2021. This resulted in an **improved** EEOI in 2022 by 7% compared to 2021.
- In 2022, even though our Kamsarmax fleet has traveled on average 5% **more** distance in nautical miles and carried 7% **less** cargo on average, it emitted on average **same** CO₂ emissions vs 2021. This resulted in an increased EEOI in 2022 by 7% compared to 2021.
- In 2022, our Panamax fleet has traveled on average 8% **more** distance in nautical miles and carried 1% **more** cargo on average and emitted on average 8% **more** CO₂ emissions vs 2021. This resulted in an **improved** EEOI in 2022 by 2% compared to 2021.

Going forward though 2025, the acquisition of our 11 Phase III newbuild vessels on order with advanced designs in relation to energy efficiency, as well as the environmentally upgraded 21 existing vessels achieving lower fuel consumption, is expected to improve our environmental indicators of AER and of EEOI. This estimation assumes the delivery of all 11 Phase III newbuilds as scheduled, no vessel sale, and similar operational and trade patterns (speed, cargo, distance, short or long port calls, etc.) as those experienced during 2022.



VESSEL TYPE	QUANTITIES	2021	2022	DIFFERENCE
CAPESIZE	Number of Vessels	5	8	60%
	Average of Age	10.6	11.1	4.5%
	Average of DWT (tn)	179653	179532	-0.1%
	Average of Distance (nm)	43755	52591	20.2%
	Average of CO ₂ Emissions (tn)	22801	24696	8.3%
	Average EEOI	5.85	4.99	↑ -14.7%
	Average AER	2.90	2.62	↑ -9.8%
POST-PANAMAX	Number of Vessels	15	16	6.7%
	Average of Age	10.9	11.2	2.7%
	Average of DWT (tn)	89881	89719	-0.2%
	Average of Distance (nm)	59084	56856	-3.8%
	Average of CO ₂ Emissions (tn)	20953	19664	-6.2%
	Average EEOI	8.23	7.69	↑ -6.5%
	Average AER	3.95	3.25	↑ -2.3%
KAMSARMAX	Number of Vessels	7	8	14.3%
	Average of Age	10.9	10.6	-3.4%
	Average of DWT (tn)	82276	82258	0.0%
	Average of Distance (nm)	53979	60706	4.7%
	Average of CO ₂ Emissions (tn)	17724	17699	-0.1%
	Average EEOI	6.47	6.89	↓ 6.5%
	Average AER	3.72	3.54	↑ -4.6%
PANAMAX	Number of Vessels	12	12	0.0%
	Average of Age	9.7	10.7	10.3%
	Average of DWT (tn)	76701	76701	0.0%
	Average of Distance (nm)	56365	61066	8.3%
	Average of CO ₂ Emissions (tn)	15632	16861	7.9%
	Average EEOI	6.52	6.42	↑ -1.5%
	Average AER	3.62	3.60	↑ -0.4%



EMISSION PERFORMANCE PER VESSEL TYPE

TYPE	2022 AER (G CO ₂ /DWT-MILE) % DIFFERENCE FROM 2021	2022 EEOI (G CO ₂ /T-MILE) % DIFFERENCE FROM 2021
POST PANAMAX	-2.3%	-6.5%
PANAMAX	-0.4%	-1.5%
KAMSARMAX	-4.6%	6.5%
CAPESIZE	-9.8%	-14.7%

Our fleet has shown varying levels of improvement in terms of sustainability performance in 2022. Post Panamax vessels experienced a 2.3% decrease in average AER from 3.95 to 3.85, mainly due to the addition of the new building. Panamax vessels showed minimal change in average AER. Kamsarmax vessels had the a significant reduction in AER, decreasing from 3.72 to 3.54, a reduction of -4.6%. Finally, Capesize vessels demonstrated the most notable improvement with an average AER of 2.62, a significant reduction of -9.8%. These results indicate our ongoing efforts to improve our sustainability performance across our vessel types.



OUR PERFORMANCE³

ENERGY EFFICIENCY DESIGN INDEX (EEDI)	2022	2021	2020	
AVERAGE EEDI FOR NEW SHIPS (G CO ₂ /T-MILE)	2.92	N/A	N/A	
ENERGY USE ⁴	2022	2021	2020	VARIATION TO BASELINE
FROM FOSSIL FUELS				
DIESEL (GJ)	928.81	1,030.18	1,869.13	-50.31%
HEAVY FUEL OIL/ LOW SULFUR FUEL OIL (GJ)	10,155.85	9,641.53	9,533.15	+1.14%
TOTAL ENERGY USE FROM FOSSIL FUELS (GJ)	11,084.66	10,671.71	11,402.28	-6.41%
FROM RENEWABLE SOURCES				
BIOFUEL B30 (GJ) ⁵	108	13	N/A	N/A
TOTAL ENERGY USE FROM RENEWABLE SOURCES (GJ)	108	13	N/A	N/A
TOTAL ENERGY CONSUMPTION	2022	2021	2020	VARIATION TO BASELINE
TOTAL FUEL CONSUMPTION (GJ)	11,192.66	10,684.71	11,402.28	-1.84%

³Baseline year=2020 unless stated otherwise / ⁴The vessel's energy use mainly refers to vessel propulsion. The sub-users (electricity, heating, cooling, steam) account for less than 8% of the total fuel consumption. SEEMP Part II outlines two methods for calculating fuel consumption: using mass flow meters or relying on ROB & BDNs / ⁵Baseline year=2022, as by that year there was regular biofuel usage for our ships.



EMISSIONS	2022	2021	2020	VARIATION TO BASELINE
SCOPE 1 EMISSIONS⁶				
EMISSIONS FROM DIESEL (T CO ₂ E)	69,737	77,348	143,703	-51.47%
EMISSIONS FROM HEAVY FUEL OIL/ LOW SULFUR FUEL OIL (T CO ₂ E)	786,699	746,859	725,791	+2.90%
EMISSIONS FROM BIOFUEL B30 (T CO ₂ E) ⁷	6,548	880	N/A	+644.09%
TOTAL DIRECT EMISSIONS (T CO₂E)	862,984	825,087	869,494	-5.11%

⁶Total direct emissions include only CO₂ emissions. Emission factors are provided by SEEMP Part II – the calculations are strictly following all global and European regulations. Annual emissions, fuel consumption and transport work data are approved by LR class society. Electricity produced onboard from fuel is included in the above calculation / ⁷Baseline year=2022, as by that year there was regular biofuel usage for our ships.



II. WATER AND MARINE RESOURCES



MATERIAL TOPIC

GRI 3-3

SASB TR-MT-160A.2, TR-MT-160A.3

OUR COMMITMENT

Providing clean water is essential for our crew members, as it is vital for their various needs and activities while on board. We are committed to implementing effective water management strategies, which include reducing water usage, preventing water pollution, promoting natural replenishment, and encouraging the sustainable management of this resource. Our dedication is to monitor, regulate, and establish yearly objectives for water consumption across our entire fleet. Moreover, the Company recognizes the significance of ecosystems and their protection.

The negative impacts of water pollution on marine ecosystems are significant and cannot be ignored, especially in scenarios involving oil spills and the accumulation of marine debris. Therefore, we have made a firm pledge to support sustainable shipping practices and ensure the preservation of the natural environment through our sustainable operations.

The installation of a Ballast Water Treatment System is an essential process that aims to prevent the spread of harmful foreign aquatic organisms from one region to another, thus playing a crucial role in limiting their impact on the ecosystem.

ESG GOALS	PROGRESS	GOAL BEYOND REGULATION
MAINTAINING ZERO OIL-SPILL ACCIDENTS, THUS CONTRIBUTING TO ECOSYSTEM PRESERVATION.		-
EARLY REGULATION ADOPTER (COMPLETE FLEET INSTALLATION, CERTIFICATION, AND OPERATION OF BWTS FOR THE WHOLE FLEET BY 2023).		-



OUR IMPACTS

IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
WATER MANAGEMENT	Safe Bulkers is an early regulation adopter of a BWTS to prevent, minimize and eliminate the risk of introducing harmful aquatic organisms and pathogens from vessel ballast water and associated sediments while protecting vessel safety.	 Actual 
ECOSYSTEM PROTECTION	Safe Bulkers has maintained zero oil-spill accidents, ensuring that the Company contributes to ecosystem preservation.	 Actual 
ECOSYSTEM PROTECTION	Safe Bulkers has implemented a management system specifically designed for the handling of oily water, thus ensuring that the company actively works towards preventing water contamination.	 Actual 
ECOSYSTEM PROTECTION	Safe Bulkers has been conducting a comprehensive sampling campaign to obtain data on the EGCS wash water discharges, in order to assess the cumulative effect of wash water parameters to seawater.	 Actual 



OUR APPROACH

BALLAST WATER TREATMENT SYSTEM (BWTS)

Ballast Water Treatment Systems are employed in the shipping industry to mitigate the risks associated with ballast water discharges. These systems treat ballast water to remove or deactivate harmful organisms and pathogens, ensuring that discharged ballast water meets the environmental standards set by regulatory bodies. The BWM Convention entered into force on 8 September 2017; since then, the Company has reacted promptly and executed a challenging BWTS installation plan, in order to pre-emptively adopt the Convention for the BWTS. Currently, the Company has completed the installations and all vessels are equipped with BWTS. Two additional installations are scheduled in 2023 relating to the new acquired vessels.

BALLAST WATER EXCHANGE AND TREATMENT ⁸	2022	2021	2020
PERCENTAGE OF FLEET THAT HAS IMPLEMENTED BALLAST WATER TREATMENT (%)	97.73%	87.18%	71.43%

⁸Currently, the Company has completed the installations since beginning of 2022 and all vessels are equipped with BWTS. Another 2 installations are scheduled in 2023 to the new acquired vessels.

EXHAUST GAS CLEANING SYSTEM (EGCS)

The correlation between the level of Sulphur oxide (SOx) emissions in the shipping industry and the type of fuel used, as well as the presence of desulfurization systems commonly referred to as scrubbers on the fleet, is undeniable. Moreover, the quantity of Nitrogen Oxides (NOx) emissions generated by marine engines relies on the engine technology that is employed. Marine engines are classified into three Tiers according to the level of their emissions, namely Tier I, Tier II, and Tier III, with the latter being the most stringent NOx emission regulation currently in force. Scrubber wash water effectively eliminates sulfur oxides from exhaust gases, transforming them into benign sulfate; these discharges are monitored and adhere to the rigorous standards set forth by the International Maritime Organization. Scrubbers operate by combining the exhaust steam with either fresh or ocean water, and scrubber-handling-facilities manage sludge, thus guaranteeing that any excess sulfur is collected and disposed of in a responsible and eco-friendly manner. The table below presents the scrubber installations on board our existing vessels (all pending installations refer to Capesize class vessels).

ENVIRONMENTAL DEVICES INSTALLATION PROGRESS	2024	2023	2022	2021	2020	2019
EXHAUST GAS CLEANING SYSTEM (EGCS)	1	3	1	-	6	11



INITIATIVES BEYOND COMPULSORY REQUIREMENTS

OIL AND SEWAGE POLLUTION

The IMO has set the standards for marine pollution (MARPOL) to identify and combat the threat that the shipping industry poses to the marine environment. Safe Bulkers has implemented a managerial tool to enhance the MARPOL standard requirements by:

- The installation of CCTV cameras to monitor areas that are high risk for illegal discharge,
- The establishment of a ship-specific tag-sealing system for securing the condition of all discharge means onboard monitoring, and
- The monitoring of special MARPOL reports on a monthly basis.

ENVIRONMENTALLY ACCEPTABLE LUBRICANTS (EALS)

Safe Bulkers uses EALs for Stern Tube Seal or Air Type Seals on its fleet. On the one hand, EALs are a type of lubricant that is used in conventional stern tube seals in to minimize the risk of oil pollution in marine environments.

They are designed to be biodegradable, non-toxic, and less harmful to aquatic life than traditional mineral oil-based lubricants. On the other hand, Air Type Seals use compressed air to create a barrier between oil and seawater in order to prevent contamination.



EGCS EFFLUENT WATER CAMPAIGN

Our aim is to gather data on the discharges of wash water from EGCS systems in order to evaluate the overall impact of effluents entering the ocean. To achieve this, we have undertaken a sampling campaign since 2019, involving annual sampling for every EGCS-equipped vessel in our fleet. This campaign has been completed successfully in 2022 and has adhered to the regulations set by the Cyprus Flag Authorities and ABS class. The sample analysis was performed by independent laboratories using EPA or ISO methods, yielding satisfactory results.

PARAMETER	LIMIT	AVERAGE	MAXIMUM
ACIDITY (PH)	Min. 2.7	3.84	5.94
NITRATES (MG/L)	Max. 45	2.05	14.40
PAH (MG/L)	Max. 50	0.84	7.00
TURBIDITY (FNU)	Max. 25	5.06	21.20



IMPLEMENTATION OF BEST PRACTICES ON FRESHWATER

To ensure that our fleet is not using excessive amounts of fresh water, we have adopted a proactive approach. This involves systematically monitoring and tracking the amount of fresh water consumed by each vessel over extended periods of time, through a designated data owner who is responsible for overseeing and evaluating reports on freshwater usage. By implementing this approach, we aim to reduce our overall water consumption and minimize our impact on the environment.

WASTE

ELIMINATING SINGLE-USE PLASTIC ON VESSELS

As part of our environmental strategy, one of our primary targets is to eliminate single use plastics on board. In this respect, an investment in water systems is ongoing with the aim of installing in most vessels decentralized water purifiers. The water systems turn the onboard processed water into high quality drinking water. Up to now, two vessels of the fleet have installed the water systems, which lead to the reduction of the plastic bottles. The implementation of water purifiers on board our managed vessels has been met with a highly favorable reaction from crew members, leading to a request to discontinue the supply of bottled water. As a result, the Company has made plans to install 30 units in 15 vessels by 2023, with the goal of having the entire fleet outfitted with water systems by the end of 2024. This will result in the removal of disposable plastic bottles on board our vessels. Upon implementing the new environmental strategy, it is estimated that over 200,000 single-use plastic bottles will be eliminated from the fleet. In addition to the crew members on board ships, each employee on land is utilizing specialized stainless steel thermos bottles to refill water. The presence of plastic bottles has been eliminated from our facilities and we are now purchasing biodegradable or reusable products to fulfill our office requirements.

DISTRIBUTING SPARE PARTS

Safe Bulkiers has an expanded fleet which requires a significant amount of planned maintenance spare parts. The Company distributes these spare parts through consolidated shipments from five main warehouses located around the world. These shipments are sent to the ships in combined consignments that address ships calling the same port. This process is known as shipment consolidation, and it is done to complete dry dock works with the fewest possible shipments. Scheduled dry-dock-related spares are typically shipped by sea freight to save on costs. By ordering spare parts in bulk, the Company is able to achieve economies of scale and plan for consolidation. Safe Bulkiers also encourages the refurbishing of some spare parts to reduce waste, which has a positive impact on the environment by reducing the number of resources and energy used.



07

PEOPLE AND COMMUNITIES



We commit on consistently enhancing the impact we have on our value chain, by maintaining an environment of wellbeing and by guaranteeing the safety of our employees, always with respect to human rights.

HIGHLIGHTS



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I. OUR PEOPLE

GRI 2-7, 2-8

As of December 31, 2022, our managers employed approximately **914** seafarers serving on board, and **155** people employed as office personnel on shore. Our managers have the responsibility of overseeing the chartering, technical, supply, operations, accounting and crewing management of our fleet, which includes the recruitment of senior officers and all other crew members for our vessels. The process is managed either directly or by cooperating with crewing agents.

EMPLOYEES IN ALL REGIONS ⁹	2022			2021			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMPLOYEES (#)	115	40	155	109	33	142	85	26	111
PERMANENT EMPLOYEES (#)	115	40	155	109	33	142	85	26	111
TEMPORARY EMPLOYEES (#)	0	0	0	0	0	0	0	0	0
NON-GUARANTEED-WORKING-HOUR EMPLOYEES (#)	0	0	0	0	0	0	0	0	0
FULL-TIME EMPLOYEES (#)	115	40	155	109	33	142	85	26	111
PART-TIME EMPLOYEES (#)	0	0	0	0	0	0	0	0	0

⁹Seafarers or governance members are not included in the following table. All numbers are based on the headcount methodology. Employee breakdown by region was not available and was omitted accordingly.



II. RESPONSIBILITY TOWARDS OUR WORKFORCE



MATERIAL TOPIC

GRI 2-30, 3-3, 401-2, 405-1

SASB TR-MT-000A, TR-MT-000C, TR-MT-000D, TR-MT-000E, TR-MT-000F

OUR COMMITMENT

At Safe Bulkers, we prioritize investing in our human capital. This includes both our offshore and onshore employees, whom we pledge to treat with the utmost respect by offering equal opportunities for professional growth and fair compensation based on their expertise and position. We value diversity and actively work to foster a multicultural workforce, while also maintaining policies to achieve zero employee grievances through our effective whistleblowing mechanisms and open communication channels.

ESG GOALS	PROGRESS	GOAL BEYOND REGULATION
Increase the number of women employees by 5% by 2025 compared to 2019 standards.	● ○ ○ ○ ○	✓
Maintain zero employee grievances.	-	✓



OUR IMPACTS

IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
EMPLOYMENT	Safe Bulkers offers salary adjustment compensation to employees who exceed the expectations of their respective positions, ensuring that employees are recognized and rewarded for their performance.	 Actual 
EMPLOYMENT	The Company contributes to the enhancement of seafarer rights by providing them with collective bargaining agreements that align with international regulations, thus promoting a fair and equitable workspace.	 Actual 
EMPLOYMENT	Policies are communicated to all employees, both onshore and offshore, on an annual or ad hoc basis, thus taking measures to ensure that all employees are informed about operational changes and Company policies.	 Actual 
EMPLOYMENT	The duration of crew changes was prolonged as a result of the situation in Ukraine and despite all efforts, some seafarers experienced longer times on board until a suitable/qualified replacement was found.	 Actual 
EMPLOYMENT	The Company has well-defined criteria for selecting crew members and office employees which ensures that the Company strives to establish a more transparent hiring process for its employees.	 Actual 



IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
EMPLOYMENT	<p>The Company ensures effective communication for its onshore and offshore employees, by proactively sharing operational changes.</p>	 Actual 
FAIR WAGES	<p>Safe Bulkers offers competitive wages to its employees, above the minimum requirements set by regulations. As a result, the Company contributes to a higher-than-average quality of life for its employees.</p>	 Actual 
GRIEVANCE MECHANISMS	<p>There have been no reported incidents of employee grievances within the Company, indicating that the Company adheres to employee rights and showing its high level of respect towards them.</p>	 Actual 
DIVERSITY AND EQUAL OPPORTUNITY	<p>The Board of Directors (BoD) incorporates diversity criteria into its remuneration processes as the Company is committed to ensuring that there are no gender pay-gaps within the organization.</p>	 Actual 
DIVERSITY AND EQUAL OPPORTUNITY	<p>Safe Bulkers has taken steps to increase the ratio of women employees within its premises, including the Board of Directors (BoD), and recognizes the importance of gender diversity. The Company is committed to promoting equal opportunities for women in the maritime industry, increasing the representation of women in various roles, and creating a more inclusive and balanced workforce.</p>	 Actual 



IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
DIVERSITY AND EQUAL OPPORTUNITY	<p>The Company maintained a record of no reported incidents of discrimination and promotes a culture that respects and values individuals regardless of their race, gender, age, ethnicity, or any other characteristic protected by law. By fostering an environment free from discrimination, Safe Bulkers cultivates a positive workplace culture where all employees are treated with fairness, dignity, and respect.</p>	
DIVERSITY AND EQUAL OPPORTUNITY	<p>Embracing a multicultural workforce on its vessels, with seafarers representing three different nationalities: Greece, Cyprus, and the Philippines, the Company promotes a culture that respects and values individuals regardless of their race, gender, age, ethnicity, or any other characteristic protected by law. By fostering an environment free from discrimination, Safe Bulkers cultivates a positive workplace culture where all employees are treated with fairness, dignity, and respect.</p>	

OUR APPROACH

Our Company is committed to improving the impact of our business to the society. The Company has established a comprehensive Governance framework as described in the relevant section, setting a strong ethical tone at the highest level of leadership. Our CEO as head of the Social and Governance Unit comprising of company's executive officers is providing the tone on the top, developing the strategy and specific actions for enhancing the social impact of the Company. The Social strategy which is part of the ESG strategy is reviewed by the executive management and the required actions for its implementation are adopted by the Board of Directors, with a recent example being the appointment of two female Directors to the Board. Our Company is committed to providing our employees with a fulfilling and supportive work environment, both onshore and offshore. We prioritize a healthy and inclusive workplace and strive to cultivate a strong sense of community and fulfillment among our staff. Our culture is founded on values such as mutual respect, trust, accountability, integrity, and teamwork, with a focus on merit-based performance. We are dedicated to eradicating harassment, discrimination, and bullying, and ensure that all employees are treated fairly and with respect, regardless of their gender, race, religion, sexual orientation, or age. We perform annual policies revisions and require consenting confirmation by all staff. Collective bargaining agreements cover all officers on board, our vessels and all shore personnel. We have developed a non-discrimination and inclusion culture, protecting our people from unprofessional and human-right-breaching behaviors. In addition, we have identified the importance of the communication between the governance bodies and our employees. To ensure that the needs of its employees are met and addressed effectively, the organization has taken proactive steps towards implementing measures and strategies to remain attentive and responsive. Our main policies to guarantee a responsible working environment include the Code of Ethics (as analyzed earlier), the Safety, Health and Environmental Protection Policy (as will be analyzed later), and the non-Harassment Policy.



NON-HARASSMENT POLICY

It is imperative that all members of the Company conduct themselves with utmost respect towards their colleagues, refraining from any form of intimidation or harassment. It is of utmost importance that no individual faces any form of discrimination based on their gender, race, religion, sexual orientation, or age; it is therefore our responsibility to ensure that all seafarers are provided a safe and supportive work environment, free from the scourge of harassment, sexual harassment, or bullying. The Company is dedicated to eliminating harassment, sexual harassment, and bullying from ships and to fostering an environment where every dignity and welfare are valued. Also, the Company actively encourages its seafarers to report incidents in order to combat such behaviors. Our organization has implemented a set of reporting procedures that are executed with the utmost discretion, ensuring that all seafarers can place their trust in the process.

EMPLOYMENT AND WORK-SCHEDULES

Safe Bulkers provide a wide range of benefits¹⁰ and job incentives, including salary compensation, promotions, social security coverage, life insurance, and health insurance. Additionally, we offer flexible work schedules for a healthy work life balance (WLB), modern office space, access to digital tools, after-hours sports activities and social events, job specific trainings, and workshops on soft skills. While all our employees are encouraged to complete their daily tasks within the designated timeframe, due to the specification of the industry, there is the need of constant awareness and preparedness for unforeseen crisis and circumstances involving emergencies in our vessels.

Life insurance

Health care

Disability and invalidity coverage

GRIEVANCE MECHANISMS

Each Company policy has incorporated guidelines and provisions to address possible grievances that may occur within the Company in relation to external factors. The operational effectiveness of these grievance mechanisms is achieved through controls and procedures in place. Safe Bulkers supports the Poseidon principles and has endorsed the Neptune Declaration on Seafarer Wellbeing and Crew Change in efforts to address the challenges of changes in crew brought upon the maritime sector during the pandemic period. The objectives of the Neptune Declaration were focused on providing priority access to vaccinations for seafarers, implementing high-standard health protocols, facilitating needed crew changes as a result of enhanced collaboration between ship operators and charterers and ensuring that there is airline connectivity for seafarers between maritime hubs.

¹⁰Benefits such as life insurance, health care and disability and invalidity coverage are applicable to the onshore personnel and refer to private schemes. All shore based and shipboard employees are subject to the Company's Safety Management System per the ISM Code.



OUR PERFORMANCE

GOVERNANCE BODIES DIVERSITY	2022		2021		2020	
	NUMBER (#)	RATE (%)	NUMBER (#)	RATE (%)	NUMBER (#)	RATE (%)
GOVERNANCE BODIES DIVERSITY BY GENDER						
MEN IN GOVERNANCE BODIES	7	100	7	100	7	100
WOMEN IN GOVERNANCE BODIES	0	0 ¹¹	0	0	0	0
GOVERNANCE BODIES DIVERSITY BY AGE						
<30 AGED PEOPLE IN GOVERNANCE BODIES	0	0	0	0	0	0
30-50 AGED PEOPLE IN GOVERNANCE BODIES	0	0	0	0	0	0
>50 AGED PEOPLE IN GOVERNANCE BODIES	7	100	7	100	7	100

¹¹On March 15th, 2023, the Company appointed 2 women members to the BoD, one of which independent.

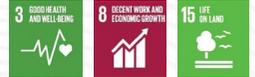


EMPLOYEE DIVERSITY	2022		2021		2020	
	NUMBER (#)	RATE (%)	NUMBER (#)	RATE (%)	NUMBER (#)	RATE (%)
EMPLOYEE DIVERSITY BY GENDER						
MEN EMPLOYEES	115	74%	109	77%	85	77%
WOMEN EMPLOYEES	40	26%	33	23%	26	23%
EMPLOYEE DIVERSITY BY AGE						
<30 AGED EMPLOYEES	30	20%	35	25%	23	21%
30-50 AGED EMPLOYEES	98	63%	78	55%	62	56%
>50 AGED EMPLOYEES	27	17%	29	20%	26	23%
EMPLOYEE INFO	2022	2021	2020			
NUMBER OF SHIPBOARD EMPLOYEES	914	790	827			
OPERATING DAYS	14,767	14,415	13,709			
DEADWEIGHT TONNAGE (DWT) ¹²	4,450,900	3,744,200	3,862,000			
NUMBER OF VESSELS IN TOTAL SHIPPING FLEET ¹³	44	39	42			
NUMBER OF VESSEL PORT CALLS	690	680	809			

¹²dwt of existing fleet – does not include vessels under construction / ¹³Number of vessels of existing fleet – does not include vessels under construction.



III. OCCUPATIONAL HEALTH, SAFETY, AND WELLBEING



MATERIAL TOPIC

GRI 2-23, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10
SASB TR-MT-540A.3

OUR COMMITMENT

At Safe Bulkers, we prioritize investing in our human capital. This includes both our offshore and onshore employees, whom we pledge to treat with the utmost respect by offering equal opportunities for professional growth and fair compensation based on their expertise and position. We value diversity and actively work to foster a multicultural workforce, while also maintaining policies to achieve zero employee grievances through our effective whistleblowing mechanisms and open communication channels.

ESG GOALS	PROGRESS	GOAL BEYOND REGULATION
Train the offshore crew on Health, Safety, Social and Environmental (HSSE) risks by 2025.	one off	✓
Maintain zero fatal accidents.	continuous	-
Reduce the PSC deficiency/inspection ratio <1.00 by 2023.	●●○○○	✓



OUR IMPACTS

IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
EMPLOYEE HEALTH AND SAFETY	<p>We have implemented a certified management system for the handling of hazardous substances, ensuring that proper protocols safely manage and control the use of hazardous materials throughout the Company's operations. Safe Bulkers prioritizes workplace safety by actively minimizing the side effects of exposure to hazardous substances (poisoning and nausea) that can have negative health effects. Proactive measures are taken to identify and assess potential risks, implementing appropriate controls and safety protocols to mitigate them.</p>	 Actual 
EMPLOYEE HEALTH AND SAFETY	<p>The Company has implemented a health and safety (H&S) system at its onshore office that ensures that proper measures are in place to identify and mitigate office-related hazards, such as ergonomic issues, fire safety, and general workplace safety.</p>	 Actual 
EMPLOYEE HEALTH AND SAFETY	<p>In the event of an incident, there is a hotline that directly connects to the audit committee and the external legal advisor. This way, the Company takes prompt action to manage any negative consequences resulting from a health and safety incident.</p>	 Actual 
EMPLOYEE HEALTH AND SAFETY	<p>Safe Bulkers has a low number of incidents related to health and safety (H&S), while its primary objective is to maintain a record of zero accidents. This reflects the Company's priority to address employee health and safety and enhance the Company's professional reputation on these topics. The Company's goal is to avoid negative publicity and the perception of an unsafe work environment that can have any long-lasting effects on a Company's image and its ability to attract and retain top talent.</p>	 Actual 



IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
EMPLOYEE HEALTH AND SAFETY	Vessel crew members are encouraged to report at least three incidents of near misses per month, which refer to accidents that were narrowly avoided, ensuring that new hazards related to the health and safety of the crew are consistently identified.	 Actual 
EMPLOYEE HEALTH AND SAFETY	Safe Bulkers conducts regular assessments of its health and safety (H&S) system every three months, ensuring its effectiveness and identifying areas for improvement, if necessary. The Company proactively identifies potential H&S risks, assesses their severity and likelihood, and implements appropriate measures to minimize or eliminate those risks.	 Actual 
WELLBEING	Safe Bulkers has established a mental support expert for employees to ensure that the Company safeguards mental health and wellbeing.	 Actual 
WELLBEING	Safe Bulkers has established a mental support expert for employees to ensure that the Company safeguards mental health and wellbeing.	 Actual 
WELLBEING	Safe Bulkers' priority is to prevent overtimes in non-emergency cases, to ensure that the Company contributes to the amelioration of its employees' work-life balance.	 Actual 
WELLBEING	Supervisors proceed to vessel audits especially regarding crew relationships, to ensure efficient collaboration in vessels.	 Actual 



OUR APPROACH

The safety management system, which covers both onboard and onshore operations, is regularly reviewed and revised every three months. This is done to incorporate the most up-to-date regulatory standards, industry-leading methods, and insights gained from audits and inspections conducted across the fleet. Experience sharing is completed to improve the safety culture and practices on board, which will result in the prevention of repeated inconsistencies. To ensure this, internal audits are conducted both onboard and on shore at least once a year.

Third party inspections take place in accordance with charterer requirements, while port state control inspections are regular throughout the world. We monitor our vessel's performance in continuous basis based on defined metrics. Regular attendances of the managed fleet take place by qualified and experienced superintendents, whilst teams of equally qualified and experienced shore-based personnel support vessels from Company headquarters.

Also, an electronic planned maintenance system is in place, which allows for an efficient monitoring of onboard inspections and maintenance works. Both offices (Athens and Cyprus) have a system in place, where a technical safety officer regularly investigates the office premises and installs safety controls and procedures. Notably during the pandemic, weekly covid rapid tests were conducted to all ashore personnel, regular vaccination for flu and medical officer attendance on a monthly basis.

H&S MANAGEMENT SYSTEM

The Company has adopted a safety management system that adheres to the International Safety Management Code (ISM Code) and has incorporated the risk assessment guidelines set forth by the code. This safety management system encompasses all on board and on shore operations that facilitate the enforcement of the Company's established protocols. The process used to identify work-related hazards and assess risks on a routine and non-routine basis, is known as the risk assessment.

Our Company places great emphasis on maintaining the quality of their processes by conducting both internal and external audits. We constantly monitor and evaluate the Safety Management System (SMS) documentation and daily activities, as well as subjecting ourselves to third-party inspections and personnel evaluations.

We also have key performance indicators (KPIs) in place that measure the effectiveness of our SMS, which are reviewed annually during dedicated meetings. Additionally, the crew is given the option to anonymously report any near misses they may have encountered.





WORKPLACE HAZARD IDENTIFICATION

The Company has several processes in place to identify and evaluate workplace hazards on board its vessels. These processes are regularly monitored and assessed to ensure their effectiveness, and employee competency is also evaluated. Employees are encouraged to report hazards anonymously without fear of retaliation, and certain policies are developed to allow employees to remove themselves from potentially dangerous situations. In the event of a workplace incident, a defined process is followed to investigate and address the situation. Risk assessments are carried out before any job is started, and policies are communicated regularly to all employees through various channels. Moreover, safety meetings are conducted monthly to cover a range of health and safety topics for all personnel onboard, while feedback provided during SMS reviews is also evaluated during management review meetings. Occupational health services play a crucial role in identifying and eliminating hazards while minimizing risks. This is achieved through risk assessment and various practices such as work plan meetings and toolbox talks that take place before jobs are initiated. The organization ensures the quality of these services and facilitates worker access to them through instructions available within the SMS. Monthly safety meetings are conducted on all vessels, with all personnel participating except for those on duty who are informed of the meeting's contents through relevant minutes. These meetings cover a wide range of issues, including health and safety. To date, there are no formal joint management-worker health and safety committees in place.

H&S TRAINING

Training is an essential aspect of safety onboard vessels, and various resources are available to ensure that seafarers are adequately prepared. These resources include mandatory training for each rank and safety-related videos that are accessible on all vessels. Additionally, publications such as the Code of Safe Working Practices and other IMO and ILO publications are available in the onboard library. SOLAS training manuals are also available, and drills and exercise programs are carried out in accordance with the SMS. Seafarers can also receive further training from superintendents during onboard visits. Overall, safety training is a critical component of ensuring the well-being of all onboard personnel.

COMMON INJURIES AND HAZARD MINIMIZATION

All employees follow the Safety Management System of the Company, which is in accordance with the International Safety Management Code (ISM) Code. The vessels and the Company undergo internal audits each year. Recently, the Company underwent audits for ISM and ISO conducted by auditors who specialize in seafarer safety. The main types of work-related injuries recorded were a leg injury, arm injury, and two head injuries. The most common types of work-related health issues that affect seafarers are physical events with most cases relating to problems with the musculoskeletal system, gastroesophageal issues, and conditions affecting the lower back. These hazards have been identified by various regulations such as the ISM Code, Maritime Labor Convention (MLC), and flag state regulations. Working onboard is physically demanding, and the conditions and environment can worsen existing health conditions or lead to the development of new ones. To minimize risks and mitigate these hazards, a hierarchy of controls is used, including having seafarers undergo a Pre-Employment Medical Examination (PEME) from accredited clinics, providing necessary and approved Personal Protective Equipment (PPE), scheduling work with fatigue in mind, holding toolbox meetings before dangerous tasks, and seeking tele-medical consultation while underway and promptly referring to a doctor ashore when in port.





SAFETY, HEALTH AND ENVIRONMENTAL PROTECTION POLICY

Our Company is fully committed to ensuring safety at sea, preventing human injury, illness, or loss of life. To achieve these objectives, we have implemented a Safety, Health, and Environmental Protection Policy, which we consistently follow. We adhere to all relevant rules, regulations, guidelines, standards, and codes in the maritime industry, and we continuously monitor, maintain, and repair our fleet to ensure its safety. We also prioritize the mental and physical health of our employees and provide voluntary programs to enhance their well-being and personal safety. Our fleet is managed within ALARP as low as reasonably practicable levels of risk, and we have established safeguards against identified risks. Additionally, we take precautions against infectious diseases such as Covid-19, and our employees are fully vaccinated and comply with the precautionary measures recommended by the WHO, EU, CDC, and local authorities.

DRUGS AND ALCOHOL POLICY

It is the Company's Policy that no employee or crew member serving on a managed ship, in whatever capacity or rank, shall undertake normal assigned duties, operate any equipment, or navigate a vessel whilst impaired by drugs or alcohol. The primary objective of this Policy is to ensure safety both on board vessels and at sea, with a strong emphasis on the health and well-being of all employees and crew members. The Company strictly prohibits the use, possession, distribution, or sale of drugs and illicit substances, without prescription and/or in a manner inconsistent with the prescription or directions of usage. The Company has a zero-tolerance policy for drug trafficking and will use its best endeavors to deter such criminal actions. If any crew member violates this Policy, they will be terminated from their job. The Company will not hesitate to pursue legal action against any crew member who engages in illegal activities, particularly those related to drug trafficking. Our key performance indicators (KPIs) are designed to assess and measure the achievement of specific objectives over time:

- Zero spills – Zero damage to the environment
- Zero incidents – personal injuries
- Proactive identification of potential hazards and risk management
- Monitoring fleet performance against third-party inspections
- Promote shore/sea staff continuity
- Promote health awareness of shipboard personnel

RESPONSE TO THE COVID-19 PANDEMIC

In relation to our personnel, we conducted weekly PCR/Rapid Covid tests to our office personnel, advised physical distancing to be kept, placed glass protection per workspace and provided face masks and antiseptic material. On top of that, meetings at Company's premises have been minimized to only the ones necessary. By the end of 2022, the majority of our crew (74%) had completed an active on-board vaccination program that was sponsored by the Republic of Cyprus. To ensure that the necessary crew changes could be made, we implemented and improved safety protocols, as well as equipped all our vessels with safety equipment such as face masks, gloves, and disinfectants. Furthermore, we provided continuous training to our crew members on health and safety procedures, and we made sure that our ships were always stocked with necessary supplies, stores, and provisions to keep operations running smoothly. In regard to the construction of systems, we made sure to regularly clean and disinfect, increase maintenance of ventilation systems, and limit the number of visitors to our Company's premises as much as possible. Additionally, we utilized teleconferencing and other electronic communication methods. As of May 31, 2022, both the offices in Cyprus and Greece had achieved a 100% vaccination rate. The Company has implemented measures to create a safe and Covid-free workplace to prevent the spread of the virus and ensure the safety and well-being of all involved parties.



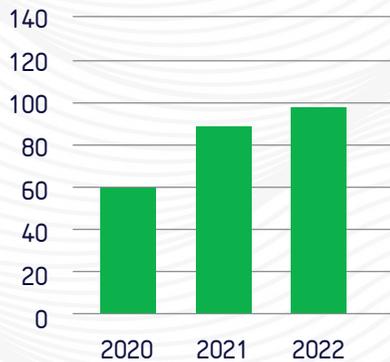
OUR PERFORMANCE

There was a gradual increase of PSC inspections during 2022, which was anticipated in view of the lifting of restrictions that were applied due to Covid-19 in various ports/countries worldwide. Accordingly, the PSC deficiency/inspection ratio for 2022 was 1.25, increased from 2021's 0.95. PSC inspections with zero deficiencies in 2022 remained identical to the ones of 2021, with a total number of 65.

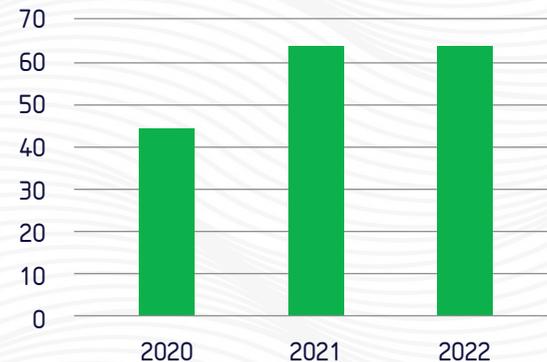
The Company's aim is to lower this ratio below 1.00 within 2023. In order to further support the fleet in achieving this PSC-related target in the post Covid era, the Company has invested in engaging third parties to carry out Bulk Safety Vetting inspections at Australian ports, which go over and above PSC standards and include training of personnel with bulk vetting requirements set forth by the industry.

Third-party inspections are also carried out in the United States, also focused on personnel training and preparation for USCG inspections. In total, 37 attendances were carried out in 2022 in ports of the United States and Australia for the purpose stated above. With regards to safety-related data, the Company maintains a record of zero fatalities in the year of review, as per previous four years. Moreover, 8 Medical Treatment Cases and 6 Lost Time Injury cases were recorded in 2022 in a total of 7,430,408 Hours of exposure. Near Misses are regularly reported by shipboard personnel, about three per month.

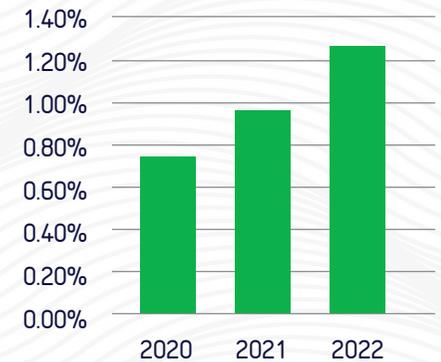
NUMBER OF PSC INSPECTIONS



NO OF INSPECTIONS WITH 0 DEFICIENCIES



DEFICIENCY PER INCECTION RATIO





FOR CREW MEMBERS (INDIRECTLY EMPLOYED WORKERS) ¹⁴	2022	2021	2020
HOURS WORKED	7,430,408	5,738,492	N/A

FOR CREW MEMBERS (INDIRECTLY EMPLOYED WORKERS) ¹⁴	NUMBER (#)	RATE	NUMBER (#)	RATE	NUMBER (#)	RATE
FATALITIES AS A RESULT OF WORK-RELATED INJURY (FR)	0	0	0	0	0	0
HIGH-CONSEQUENCE WORK-RELATED INJURIES (EXCLUDING FATALITIES) (HCIR)	0	0	0	0	0	0
TOTAL RECORDABLE WORK-RELATED INJURIES (TRIR)	4	0.54	1	0.17	3	N/A

FOR CREW MEMBERS (INDIRECTLY EMPLOYED WORKERS) ¹⁴	2022 ¹⁵	2021	2020
FATALITIES AS A RESULT OF WORK-RELATED ILL HEALTH (#)	0	0	0
CASES OF RECORDABLE WORK-RELATED ILL HEALTH (#)	52	30	26

¹⁴For the calculation of each rate the following calculation was used: recordable work-related injuries/ hours worked x 1,000,000. A rate based on 1,000,000 hours worked indicates the number of work-related injuries per 500 full-time workers over a one-year timeframe / ¹⁵In 2022, one death of a seafarer due to natural causes was documented.



IV. ATTRACTING AND UPSCALING TALENT



MATERIAL TOPIC
GRI 3-3, 401-1

OUR COMMITMENT

Safe Bulkers aims to attract new talents and elevate them through trainings and seminars. We are committed on promoting environmental and social consciousness; hence we provide internal training programs to educate our employees and cultivate their understanding. Our aim is to enhance the skills and knowledge of our new hires, provide them with opportunities for career advancement through our internal training, and retain our employees by creating a positive work environment.

ESG GOALS	PROGRESS	GOAL BEYOND REGULATION
Maintain annual employee retention rates above 50%.	-	✓
Increase training programs for office employees by 5% by 2025.	●●○○○	✓



OUR IMPACTS

IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
TALENT	Safe Bulkers has increased the number of employees, both in Greece and Cyprus, thus providing more hiring opportunities for local talent attraction.	 Actual 
TRAINING	The Company provides trainings programs to offshore and onshore employees, thus contributing to their professional skills and development.	 Actual 

OUR APPROACH

As a Company committed to sustainability, we have set a corporate objective of investing in our human resources. To achieve this goal, we provide our employees with the necessary training, resources, support, and guidance, which helps us attract and retain the best talent in the industry. Our objective is to foster employee growth inside our organization and help them reach their full potential. Our human resources strategy focuses on implementing several processes and actions in relation to the working environment and corporate culture. We promote an environment at work where everyone has fair and equal opportunities for job security, education, training, career advancement, pay raises, personal and professional development.

RECRUITMENT

Our recruitment goal is to identify individuals who are highly qualified for each job description requirements and align with the Company's corporate culture. To accomplish this, we follow a systematic process in collaboration with our human resource specialists. We regularly assess our organizational chart to ensure that we maintain the optimal number of employees that will meet our present and future business requirements. We efficiently allocate our resources and maintain a well-structured workforce.



PERFORMANCE APPRAISAL

Our Company employs a performance appraisal system that measures the productivity of our employees by analyzing their ability to complete job duties efficiently and effectively. This evaluation is based on key performance indicators (KPIs) that measure not only job performance, but also managerial competencies and soft skills, including the ability to communicate effectively, build strong relationships with colleagues and clients, and problem-solving ability in a professional manner. Through this appraisal system, we can gain a comprehensive understanding of our employee strengths and weaknesses and provide them with necessary support, guidance and training to continually improve and develop their skills. Lastly, the Company evaluates employee performance annually, and rewards staff with salary adjustments based on performance merit and productivity that exceeds expectations.

TRAINING AND DEVELOPMENT

Our process for training and development is customized to take into account the performance evaluations and career development of our employees, as well as future business and shipping industry trends. Training sessions are designed to improve a variety of skills, including social, personal, and occupational competencies. In addition to soft skills and managerial competencies like communication, assertiveness and teamwork, we place emphasis on technical training related to vessel operations, systems, new technologies, current maritime developments and sustainability.

Thus, with the assistance of numerous training institutions, we offer technical training adapted to the requirements of each department, including human resources practices, project management, leadership, conflict resolution, coaching and psychological support. Our employees can suggest specific areas for training and improvements to pursue their professional and personal development. Managers and leaders are responsible to recommend programs that benefit the team and are aligned with the organizational needs.



OUR PERFORMANCE

NEW HIRES	2022		2021		2020	
	NUMBER (#)	RATE ¹⁶	NUMBER (#)	RATE	NUMBER (#)	RATE
NEW HIRES BY GENDER						
MALE NEW HIRES	21	0.14	29	0.20	4	0.04
FEMALE NEW HIRES	9	0.06	7	0.05	14	0.13
NEW HIRES BY AGE						
<30 AGED NEW HIRES	7	0.05	19	0.13	9	0.08
30-50 AGED NEW HIRES	22	0.14	17	0.12	9	0.08
>50 AGED NEW HIRES	1	0.01	0	0	0	0

¹⁶Rate of new hires per total employees at the end of the reporting period.



TURNOVER	2022		2021		2020	
	NUMBER (#)	RATE ¹⁷	NUMBER (#)	RATE	NUMBER (#)	RATE
TURNOVER BY GENDER						
MALE TURNOVER	17	0.11	5	0.04	7	0.06
FEMALE TURNOVER	2	0.01	2	0.01	0	0
TURNOVER BY AGE						
<30 AGED TURNOVER	6	0.04	3	0.02	0	0
30-50 AGED TURNOVER	7	0.05	3	0.02	6	0.05
>50 AGED TURNOVER	6	0.04	1	0.01	1	0.01

¹⁷Rate of turnover per total employees at the end of the reporting period.



V. DATA SECURITY AND PRIVACY

MATERIAL TOPIC
GRI 3-3



OUR COMMITMENT

In today's data-centric world, protecting cybersecurity and data is of paramount importance; data privacy risks cannot be ignored. Our organization is dedicated to promoting data security and reducing potential risks through yearly training sessions focused on preventing cyber-attacks and phishing. We also ensure that clear roles and responsibilities are assigned within the Company to facilitate effective cyber risk management. Additionally, we develop cyber security protocols and protection measures based on recognized vulnerabilities and risk assessments. Our commitment to these practices allows us to confidently protect our valuable data and minimize any potential harm.

ESG GOALS	PROGRESS	GOAL BEYOND REGULATION
Maintain zero cyber-attack incidents.	continuous	✓
Perform a cyber security risk assessment for all our vessels (including a next generation firewall and incident reporting procedure).	one off	✓



OUR IMPACTS

IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
DATA SECURITY	<p>Safe Bulkers conducts annual training sessions on phishing, both online and in-person, to educate its employees about the risks associated with online scams and fraudulent activities. Moreover, these sessions raise awareness about phishing techniques, teach employees how to identify and report phishing attempts, and provide best practices for maintaining data security and online safety. By regularly training employees on phishing, Safe Bulkers enhances their ability to recognize and mitigate potential cyber threats, strengthening the overall security posture of the Company and safeguarding sensitive information.</p>	 Actual 
DATA SECURITY	<p>Safe Bulkers has developed a comprehensive policy and internal regulation focused on data security. This policy outlines the Company's commitment to safeguarding sensitive data and protecting it from unauthorized access, breaches, or misuse and actively contributes to consumer and employee data protection by implementing robust measures and protocols. The Company recognizes the importance of safeguarding personal and sensitive information and ensures compliance with applicable data protection laws and regulations.</p>	 Actual 



OUR APPROACH

GENERAL DATA PROTECTION POLICY (GDPR)

We are dedicated to protecting the confidentiality and privacy of information entrusted to us and comply with Personal Data Privacy legislation as currently in force. We have implemented a comprehensive Data Protection Policy in order to safeguard personal data and privacy. This Policy is designed to educate and inform our shore employees, seafarers, candidates, and third-party individuals about the types of information we may collect, whether directly or through collaboration with external parties. It outlines our protocols for collecting, storing, using, sharing, and securing personal data. In essence, our Policy serves as a guide on how to protect personal information in our possession.

Furthermore, we inform all interested parties about their rights over their personal data such as the right to be informed and right to gain access to the data being processed, the right to erasure or right to be forgotten, right to portability, right not be subject to a decision based solely on automated processing, right to object to the processing of personal data and to rectify the data processed if relevant. As part of these fundamental obligations, we are committed to the appropriate protection and use of personal information/data. Generally, our intent is to collect only the personal information that is provided voluntarily for employment purposes. We recognize and respect the privacy of our applicants, current employees and former employees.

CORPORATE INFORMATION SECURITY POLICY

Safe Bulkers has created internal security regulations and a comprehensive Corporate Information Security Policy. The Company's dedication to protecting sensitive data from unauthorized access, breaches, and misuse is outlined in this Policy; it is intended to define, develop, document, communicate, train, and govern key IT function activities and key IT systems. Infrastructure protection from operational, cyber, physical access, and other risks is a high priority objective. In order to maintain a proper balance between the risks associated with the operations of a Company and the policies, procedures, and controls in place, regular independent evaluations are conducted. This ensures that the Company's risk management practices remain appropriate and effective.

CYBER SECURITY POLICY

We have performed a cyber security risk assessment for our vessels and implemented next generation firewall and incident reporting for the majority of the vessels in our fleet, and we are in the process of concluding such implementation for the remaining vessels. Also, we, incorporated the cyber risk management system into the Ship Management System for all vessels in our fleet. In order to protect information assets from all threats, whether internal or external, intentional or unintentional,

Safe Bulkers works to ensure its integrity and operational governance while safeguarding operation continuity. Safe Bulkers has additionally committed to implementing contingency plans and recovery strategies, improving employee awareness and training in cybersecurity, and promptly reporting and investigating any actual or suspected security breaches. These commitments align with the Company's Policy. To support this Policy, various processes such as incident handling, information backup, etc. are in place. This Policy applies to all individuals utilizing the Company's network systems, including employees both onshore and offshore, contractors and guests.



VI. MANAGING OUR SUPPLY CHAIN



MATERIAL TOPIC
GRI 3-3

OUR COMMITMENT

Our supply chain consists of suppliers situated in all countries, ports and geographical regions where we trade and operate our business. We aim to work with suppliers who uphold ethical values and adhere to social and environmental standards; our objective is to partner with suppliers who share our vision of creating a responsible and sustainable supply chain. To achieve this, we have established a Green Procurement Strategy and are developing an internal system to select suppliers who align with our ESG priorities.

ESG GOALS	PROGRESS	GOAL BEYOND REGULATION
Develop a standardized process for supplier selection based on sustainable procurement principles.	one off	✓
Detect and measure key performance indicators (KPIs) for environmental and social criteria with our supplier base and screen them throughout market research and actual collaboration (with stronger focus on social criteria).	one off	✓



OUR IMPACTS

IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
SUPPLIER SOCIAL ASSESSMENT	Safe Bulkers has a preference towards local suppliers, where achievable, which contributes to the economic growth of local economy.	 Actual 
SUPPLIER SOCIAL ASSESSMENT	Safe Bulkers has developed an ESG-related Policy and ESG risks aiming to identify and monitor social risks and demonstrate its contribution to promoting social responsibility within its operations.	 Actual 
SUPPLIER SOCIAL ASSESSMENT	The supplier selection process of Safe Bulkers considers multiple criteria, however social aspects are not always included. Since the Company plans to but has not yet established a dedicated supplier social assessment, there is a risk that human rights within the value chain may be compromised.	 Actual 



OUR APPROACH

Safe Bulkers' supplier selection process takes into account a number of factors, including environmental and specific social criteria ad hoc. In addition to incorporating footer texts in our purchase orders to emphasize the significance of our Green Procurement Strategy, we also enforce a ban on suppliers who lack green policy certification and have a history of poor performance in this domain. We also keep track of our suppliers based on their ISO 14000 and 50000 accreditations to complement our analysis of their activities.

Our long-term goal is to create a consistent supplier selection procedure based on sustainable procurement. With our supplier base, we want to concentrate on identifying and monitoring key performance indicators for environmental and social criteria, and screen them through market research and practical collaboration. Also, we aim to emphasize more on social factors, such as workplace health and safety, diversity, and child labor.

Whenever feasible, Safe Bulkers prioritizes the utilization of local suppliers. In accordance with the CSR Policy, we trust and support international and local suppliers who have a green policy and are sensitive to environmental issues. We work with both national and local (Greece and Cyprus) suppliers, and we evaluate each one's competitiveness before the supplier selection based on technical factors, like product superiority, total cost of quotation, product availability, and promptness of delivery. The degree of communication, the caliber of the after-sales support, and the terms of payment are additional selection criteria.

CASE STUDY – GREEN PROCUREMENT STRATEGY

Safe Bulkers is implementing a Green Procurement Strategy in line with ISO 14001, targeting to reduce the environmental impact of its operations. Specifically, we strive to develop environmental criteria in selecting our suppliers to collaborate with those who implement environmental initiatives. We aim to create a responsible supply chain and improve our performance in procurement practices, by mitigating possible adverse impacts occurring in our supply chain.

The Company prioritizes suppliers who utilize packaging materials that can be recycled and have established recycling procedures to manage these materials responsibly and efficiently. As a fundamental principle, we are committed to upholding our environmental standards and enhancing our practices to achieve superior outcomes.



VII. OUR INTERACTION WITH LOCAL COMMUNITIES



MATERIAL TOPIC
GRI 3-3, 201-1, 413-1

OUR COMMITMENT

Our approach to community investment involves actively engaging our employees in a variety of voluntary projects, capitalizing on the power of solidarity to support vulnerable institutions and groups. We are committed to creating meaningful value for our community through a range of initiatives, such as scholarship programs and financial assistance for schools.

ESG GOALS	PROGRESS	GOAL BEYOND REGULATION
Increase local community engagement initiatives by 10% compared to 2021.	● ○ ○ ○ ○	✓
Maintain scholarship programs for awarding in total 10 scholarships to Cypriot and Greek citizens (residing in Cyprus) that are attending selective university studies abroad.	continuous	✓



OUR IMPACTS

IMPACT THEME	MATERIAL IMPACTS ON SUSTAINABLE DEVELOPMENT	IMPORTANCE
CULTURAL CAPITAL	<p>Safe Bulkers collaborates with local governments to conduct visits to schools and educate students on various themes related to the shipping sector. Through these educational initiatives, the Company aims to raise awareness among students about the importance of the maritime industry, its role in global trade, and the significance of environmental sustainability in shipping. By engaging with students and providing them with valuable insights, Safe Bulkers actively contributes to the development of maritime knowledge and fosters a greater understanding of the sector's impact on the economy and the environment.</p>	 Actual 
LOCAL COMMUNITIES	<p>Safe Bulkers has set up a scholarship program for high school graduates and university students who are interested in pursuing university studies related to the broader shipping industry. Such efforts to communicate with local communities are increasing the Company's ability to attract talent from these areas in the future.</p>	 Actual 
LOCAL COMMUNITIES	<p>Safe Bulkers communicates with schools to aid students who are facing financial difficulties. Such efforts to provide scholarships and assistance to local students and communicate with local schools demonstrate its contribution to the development of the local community.</p>	 Actual 
LOCAL COMMUNITIES	<p>Safe Bulkers holds annual events in Manila to meet with local employees, with the utmost goal of increasing its ability to attract talent from these areas in the future.</p>	 Actual 
ECONOMIC IMPACT	<p>Safe Bulkers has chosen to register its ships under the Cyprus flag, demonstrating its commitment to supporting local taxing laws instead of opting for a low-tax flag, even though vessels flying the Cypriot flag are faced with a Turkish embargo. The Company adheres to the tax regulations and obligations set by local authorities. This decision showcases Safe Bulkers' responsible approach to taxation and its commitment to contributing to the local economy and supporting the jurisdictions in which it operates.</p>	 Actual 



OUR APPROACH

SAFE BULKERS SCHOLARSHIP PROGRAM

When the scholarship program was launched in 2021, our CSR Policy served as the program's guiding principle in an effort to support local families during the pandemic crisis. Since then, the Company aims to encourage local Cypriot high school graduates and university students who are studying abroad to pursue careers in the maritime sector.

In 2022, we offered 10 scholarships to Cypriot citizens and Greek citizens who have settled in Cyprus, either students who have graduated from Cyprus-based educational institutions (Lyceum) or those who are enrolled in studies in Greek, British, or other relevant universities abroad in the fields of naval mechanical engineering, naval architecture, marine engineering and shipping law. The entire program granted 100,000 euros in total and each scholarship worth 10,000 euros was given to each participant on the basis of their academic performance and their social/financial background status. The award ceremony was held in Safe Bulkers Tower (Limassol, October 2022), with the presence of the Shipping Deputy Minister of the Republic of Cyprus and Safe Bulkers Inc. CEO, Mr. Polys V. Hajjoannou.

After two years of great success and exposure, the program will be expanded in 2023 by awarding ten (10) scholarships (each worth 10,000 euros per student) to a variety of new fields of study, such as electrical and electronic engineering, computer engineering and computer science, cyber security and automation. We hope to further strengthen the Cyprus maritime cluster, the nation's economy, and the general wellbeing of the local society.

Lastly, in 2023, Safe Bulkers will initiate a new CSR local community program by engaging with schools and will offer economic support to students experiencing social / financial constraints.

ANNUAL EMPLOYEE MEETINGS IN MANILA

Safe Bulkers holds annual events to meet with its local employees in Manila. During the Company's last visit in November 2022, we spent an average of two days at each agency and held over 100 discussions, both in groups and individually. The primary objective of these visits was to enhance the Company's relationship with its employees and promote a sense of inclusivity within the Company's culture and operations.





OUR PERFORMANCE

ENGAGEMENT WITH LOCAL COMMUNITIES ¹⁸			
	2022	2021	2020
SAFE BULKERS SCHOLARSHIPS 2021–2022		SAFE BULKERS SCHOLARSHIPS 2020–2021	HELMEPA MEMBERSHIP
PROMOTING MARITIME STUDIES IN CYPRUS		HELMEPA MEMBERSHIP	
SPONSORSHIP AT WOMAN LIMASSOL VOLLEYBALL TEAM – CAMPAIGN AGAINST DRUGS			
HELMEPA MEMBERSHIP			
ANNUAL EMPLOYEE MEETINGS IN MANILA			
<hr/>			
DIRECT ECONOMIC VALUE GENERATED	2022	2021	2020
REVENUES (\$) ¹⁹	349,718,000	329,031,000	198,158,000

¹⁸All initiatives are focused on the local community / ¹⁹Net Revenues (revenues net of commissions)



DIRECT ECONOMIC VALUE DISTRIBUTED	2022	2021	2020
OPERATING COSTS (\$) ²⁰	48,402,000	41,874,000	39,749,000
GENERAL AND ADMINISTRATIVE EXPENSES ²¹	21,227,000	22,082,000	21,323,000
EMPLOYEE WAGES AND BENEFITS (\$) ²²	32,384,000	30,591,000	30,516,000
PAYMENTS TO PROVIDERS OF CAPITAL (\$) ²³	47,296,000	24,891,000	32,440,000
TOTAL DIRECT ECONOMIC VALUE DISTRIBUTED (\$)	149,309,000	119,348,000	124,028,000
CONTRIBUTION TO THE STATE BY COUNTRY ²⁴	2022	2021	2020
CONTRIBUTION TO THE PHILIPPINES (\$)	768,000	617,000	483,000
CONTRIBUTION TO GREECE AND CYPRUS (\$)	59,000	59,000	56,000
CONTRIBUTION TO MONACO (\$)	20,000	3,000	N/A
TOTAL CONTRIBUTION TO STATES (\$)	847,000	679,000	539,000
ECONOMIC VALUE RETAINED	2022	2021	2020
TOTAL ECONOMIC VALUE RETAINED (\$)	200,409,000	209,683,000	74,130,000

²⁰Operating costs represent the Company's Vessel Operating Expenses of \$80,211,000 for 2022, \$72,049,000 for 2021 and \$70,086,000 for 2020 excluding crew remunerations amounting to \$31,809,000 for 2022, \$30,175,000 for 2021 and \$30,337,000 for 2020, which are disclosed under the caption "Employee wages and benefits" / ²¹General and administrative expenses represent the Management fees and the Company's administration expenses of \$21,802,000 for 2022, \$22,498,000 for 2021 and \$21,502,000 for 2020 excluding employee wages of \$575,000 for 2022, \$416,000 for 2021 and \$179,000 for 2020 which are disclosed under the caption "Employee wages and benefits" / ²²Employee wages and benefits relate to crew remunerations, and wages of employees directly employed by Safe Bulkers Inc. and its subsidiaries. Crew remunerations amounting to \$31,809,000 for 2022, \$30,175,000 for 2021 and \$30,337,000 for 2020 are included in the Vessel Operating Expenses in the Company's consolidated financial statements. Employee wages of \$575,000 for 2022, \$416,000 for 2021 and \$179,000 for 2020 are included in the General and Administrative Expenses in the Company's consolidated financial statements / ²³Payments to providers of capital represent the dividend distributions to the Company's Shareholders amounting to \$33,626,000 for 2022, \$11,198,000 for 2021 and \$11,497,000 for 2020 and loan interest payments amounting to \$13,670,000 for 2022, \$13,693,000 for 2021 and \$20,943,000 for 2020 / ²⁴The contribution to the Philippines amounts is included in the Operating costs and the contribution to Greece /Cyprus and contribution to Monaco amounts are included in the General and administrative expenses.



08

SUSTAINABILITY REPORT APPENDICES



ABOUT THE REPORT

GRI 2-3, 2-4, 2-5

SCOPE

Safe Bulker's Inc., (Safe Bulkers or the Company) is publishing its third Sustainability Report. The Company affirms its dedication to sustainable development and Environmental, Social, and Governance (ESG) matters, and publicly discloses its strategies and actions to fulfill its responsibilities and mitigate its environmental, social, and governance impacts. The Sustainability Report covers the calendar year 2022 (1/1/2022 - 31/12/2022) and includes data and information for Safe Bulkers Inc. and its subsidiaries (Safe Bulkers Inc. affiliates, including Safe Bulkers Management Ltd., Safe Bulkers Management Monaco Inc., and Safety Management Overseas S.A.), unless otherwise indicated, and uses quantitative metrics to describe our policies, programs, practices and performance. The reporting period for the Sustainability Report coincides with our financial reporting. The financial report is typically published in mid-March, with the sustainability report released between June and July. It has to be noted that there have been no revisions or changes made to last year's information presented in this report. The calculations for each vessel's AER have been verified by Lloyd's Register, which also serves as the verifier for the International Maritime Organization's Data Collection System DCS. The Ship Performance Group of Lloyd's Register has confirmed the EEOI calculations for each vessel during the same period. Financial information contained in the report is also available in the 20-F report, which has undergone auditing by third-party auditors. The objective of this Report is to portray the Company's management of its impacts on the economy, society, and the environment, with the intention of providing comprehensive information to its stakeholders. The 2022 Sustainability Report has been prepared in accordance with the new Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, «in accordance with the GRI Standards», and the Sustainability Accounting Standards Board (SASB) recommendation for Maritime Transport, alongside additional indicators that are materially important to us and our stakeholders. We also support the UN Sustainable Development Goals and have focused on areas which we believe have the greatest impact. The Report has been reviewed and approved by the Management of Safe Bulkers. The compilation of Safe Bulkers's 2022 Sustainability Report was carried out with the advisory support of the Sustainability and Climate Services department of Deloitte Greece²⁵.

EXTERNAL ASSURANCE

The Sustainability Report has not undergone external assurance, although Safe Bulkers remains dedicated to enhancing its sustainability reporting continually.

CONTACT POINTS

DR. LOUKAS BARMPPARIS President, SafeBulkersInc / Email: directors@safebulkers.com / Phone : +30 2 111 888 400

²⁵Safe Bulkers Inc. is responsible for the calculation, collection and consolidation of quantitative data, as well as for the accuracy and completeness of the quantitative and qualitative data included in this report. Deloitte shall not bear any responsibility or liability against any third party for the contents of this Report.



GRI INDEX

STATEMENT OF USE		SAFE BULKERS HAS REPORTED IN ACCORDANCE WITH THE GRI STANDARDS FOR THE PERIOD JANUARY 1ST, 2022, UNTIL DECEMBER 31ST, 2022, ON AN ANNUAL BASIS.				
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GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES						

GRI 2:
GENERAL
DISCLOSURES
2021

2-1 Organizational details	Our Company Safe Bulkers at a glance
2-2 Entities included in the organization's sustainability reporting	Our Company Safe Bulkers at a glance
2-3 Reporting period, frequency and contact point	Sustainability Report Appendices About this report
2-4 Restatements of information	Sustainability Report Appendices About this report

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GENERAL DISCLOSURES						

**GRI 2:
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2-6 Activities, value chain and other business relationships	Our Company Safe Bulkers at a glance Activities, value chain and other business relationships
2-7 Employees	People and communities Our people
2-8 Workers who are not employees	People and communities Our people

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			REQUIREMENTS OMITTED	REASON	EXPLANATION	

GENERAL DISCLOSURES						
GRI 2: GENERAL DISCLOSURES 2021	2-9 Governance structure and composition	Corporate governance Board structure and composition	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-10 Nomination and selection of the highest governance body	Corporate governance Board structure and composition				
	2-11 Chair of the highest governance body	Corporate governance Board structure and composition				
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance Risk management				



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GENERAL DISCLOSURES						

**GRI 2:
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2021**

2-13 Delegation of responsibility for managing impacts

Corporate governance
Risk management
Our approach to sustainability
Sustainability roadmap

2-14 Role of the highest governance body in sustainability reporting

Our approach to sustainability
Sustainability roadmap

2-15 Conflicts of interest

Corporate governance
Board structure and composition

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GENERAL DISCLOSURES						

**GRI 2:
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2021**

2-16 Communication of critical concerns

Corporate governance Policies and procedures

2-17 Collective knowledge of the highest governance body

Corporate governance Policies and procedures

2-18 Evaluation of the performance of the highest governance body

a, b, c

Not applicable

The evaluation of the performance of the highest governance body has not yet incorporated ESG criteria.

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GENERAL DISCLOSURES						

GRI 2: GENERAL DISCLOSURES 2021	2-19 Remuneration policies	Corporate governance Policies and procedures	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-20 Process to determine remuneration	Corporate governance Policies and procedures			
	2-21 Annual total compensation ratio		a, b, c	Confidentiality constraints	The Company prefers to keep the information confidential and not disclose it.
	2-22 Statement on sustainable development strategy	Letter from our CEO			



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GENERAL DISCLOSURES						

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2-23 Policy commitments

Our approach to sustainability
Sustainability roadmap
Corporate governance
Policies and procedures

2-24 Embedding policy commitments

Our approach to sustainability
Sustainability roadmap
Corporate governance
Policies and procedures

2-25 Processes to remediate negative impacts

Our approach to sustainability
Sustainability roadmap

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GENERAL DISCLOSURES						

**GRI 2:
GENERAL
DISCLOSURES
2021**

2-26 Mechanisms for seeking advice and raising concerns

Corporate governance
Anti-corruption and business ethics

2-27 Compliance with laws and regulations

There have been no incidents of not compliance

2-28 Membership associations

Our Company Partnerships and distinctions
People and communities
Responsibility towards our workforce

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GENERAL DISCLOSURES

GRI 2: GENERAL DISCLOSURES 2021	2-29 Approach to stakeholder engagement	Our approach to sustainability Stakeholder engagement	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-30 Collective bargaining agreements	People and communities Responsibility towards our workforce				

MATERIAL TOPICS

GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Our approach to sustainability Materiality assessment				
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MATERIAL TOPICS						
	3-2 List of material topics	Our approach to sustainability Materiality assessment	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
ANTI-CORRUPTION AND BUSINESS ETHICS						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Governance Anti-corruption and business ethics				
CLIMATE CHANGE ADAPTATION, EMISSIONS, AND ENERGY						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Environment Climate change adaptation, emissions, and energy				



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CLIMATE CHANGE ADAPTATION, EMISSIONS, AND ENERGY

GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Environment Climate change adaptation, emissions, and energy	c, e	Information unavailable/incomplete	The Company has not aggregated energy consumption in offices; however it is committed to present this type of information on future reports.	
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Environment Climate change adaptation, emissions, and energy				

WATER AND MARINE RESOURCES

GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Environment Water and marine resources				
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RESPONSIBILITY TOWARDS OUR WORKFORCE

GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	People and communities Responsibility towards our workforce	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	People and communities Responsibility towards our workforce				
GRI 401: EMPLOYMENT 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	People and communities Responsibility towards our workforce				



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ATTRACTING AND UPSCALING TALENT						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	People and communities Attracting and upscaling talent	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	People and communities Attracting and upscaling talent	a, b (partially)	Information unavailable/incomplete	Information on new hires and turnover by region was not available at the time of the report, however, will be provided in the next reporting period.	



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OCCUPATIONAL HEALTH, SAFETY, AND WELLBEING						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	People and communities Occupational health, safety, and wellbeing	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	People and communities Occupational health, safety, and wellbeing				
	403-2 Hazard identification, risk assessment, and incident investigation	People and communities Occupational health, safety, and wellbeing				



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OCCUPATIONAL HEALTH, SAFETY, AND WELLBEING						
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-3 Occupational health services	People and communities Occupational health, safety, and wellbeing	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	403-4 Worker participation, consultation, and communication on occupational health and safety	People and communities Occupational health, safety, and wellbeing				
	403-5 Worker training on occupational health and safety	People and communities Occupational health, safety, and wellbeing				



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OCCUPATIONAL HEALTH, SAFETY, AND WELLBEING						
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People and communities Occupational health, safety, and wellbeing	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	403-8 Workers covered by an occupational health and safety management system	People and communities Occupational health, safety, and wellbeing	a (ii)	Not applicable	Vessels are subject to annual internal audits. Department heads and all other personnel is audited ad hoc on a sample basis, as decided by auditors	



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OCCUPATIONAL HEALTH, SAFETY, AND WELLBEING

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-9 Work-related injuries	People and communities Occupational health, safety, and wellbeing	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	403-10 Work-related ill health	People and communities Occupational health, safety, and wellbeing				

OUR INTERACTION WITH LOCAL COMMUNITIES

GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	People and communities Our interaction with local communities				
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OUR INTERACTION WITH LOCAL COMMUNITIES

GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	People and communities Our interaction with local communities	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	People and communities Our interaction with local communities				

DATA SECURITY AND PRIVACY

GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	People and communities Data security and privacy				
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MANAGING OUR SUPPLY CHAIN						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	People and communities Managing our supply chain	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			



SASB INDEX

TOPIC	CODE	ACCOUNTING METRIC	2022	2021	2020
ENVIRONMENT					
GREENHOUSE GAS EMISSIONS	TR-MT-110a.1	Gross global Scope 1 emissions (tCO ₂ e)	862,984	825,087	869,494
	TR-MT-110a.3	(1) Total energy consumed (GJ), (2) percentage of fossil fuels, (3) percentage of renewable fuels	(1) 11,192.66 (2) 99% (3) 1%	(1) 10,684.71 (2) 99.9% (3) 0.1%	(1) 11,402.28 (2) 100% (3) 0%
	TR-MT-110a.4	Average Energy Efficiency Design Index (EEDI) for new ships (gCO ₂ /t-mile)	2.92	N/A	N/A
ECOLOGICAL IMPACTS	TR-MT-160a.2	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	(2) 97.73%	(2) 87.18%	(2) 71.43%
	TR-MT-160a.3	(1) Number and (2) aggregate volume of spills and releases to the environment m ³	(1) 0 (2) 0	(1) N/A (2) N/A	(1) N/A (2) N/A
SOCIETY					
ACCIDENT & SAFETY MANAGEMENT	TR-MT-540a.3	Number of port state control (1) deficiencies and (2) detentions	(2) 0	(2) 65	(2) N/A
GOVERNANCE					
BUSINESS ETHICS	TR-MT-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption (€)	0	0	0
	CODE	ACTIVITY METRIC	2022	2021	2020
	TR-MT-000.A	Number of shipboard employees	914	790	827
	TR-MT-000.C	Operating days	14,767	14,415	13,709
	TR-MT-000.D	Deadweight tonnage	4,450,900	3,744,200	3,862,000
	TR-MT-000.E	Number of vessels in total shipping fleet	44	39	42
	TR-MT-000.F	Number of vessel port calls	690	680	809



ADDITIONAL PERFORMANCE DATA

TYPE	AER (G CO ₂ /DWT-MILE)			EEOI (G CO ₂ /T-MILE)			
	YEAR	2022	2021	DIFFERENCE	2022	2021	DIFFERENCE
POST PANAMAX		3.85	3.95	-2.3%	7.69	8.23	-6.5%
PANAMAX		3.60	3.62	-0.4%	6.42	6.52	-1.5%
KAMSARMAX		3.54	3.72	-4.6%	6.89	6.47	6.5%
CAPE SIZE		2.62	2.90	-9.8%	4.99	5.85	-14.7%
FLEET AVERAGE*		3.32	3.53	-5.8%	6.46	6.97	-7.3%

* Fleet average indexes depend on fleet composition, due to inherently different CO₂ emissions for various vessel sizes.



CAUTIONARY NOTE

Certain matters discussed in this report are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among other items, all statements concerning plans, objectives, goals, strategies and measures to implement such strategies, growth opportunities, competitive positions, budgets, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward- looking statements in order to encourage companies to provide prospective information about their business, which the Company desires to take advantage of and is including this cautionary statement in connection with this safe harbor legislation. Words such as "believe," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and variations of such words and similar expressions identify forward-looking statements. The forward- looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, examination by the Company's management of historical operating trends, data contained in its records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant risks, uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company's control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Investors are cautioned that actual events or results may differ materially from the Company's expectations, express or implied. In addition to these important factors, other important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include general dry bulk shipping market conditions, fluctuations in charter rates and vessel values; changes in demand in the dry bulk shipping industry; changes in governmental rules and regulations or actions taken by regulatory authorities; general domestic and international political conditions; fluctuations in interest rates and foreign exchange rates; uncertainty in the banking sector and other related market volatility; disruption of shipping routes due to political events; risks associated with vessel construction; potential exposure or loss from investment in derivative instruments; the COVID-19 global pandemic; and the risk factors listed from time to time in the Company's filings with the Securities and Exchange Commission, including but not limited to its Annual Report on Form 20-F for the year ended December 31, 2022. Please refer to our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The information set forth herein refers only as of the date hereof, and the Company disclaims any intention or obligation to update any forward looking statements contained in this report.





SAFEBULKERS

2022 | SUSTAINABILITY REPORT