



SUSTAINABILITY
REPORT
2020



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United Nations Sustainable Development Goals (SDGs)

SAFE BULKERS AND UN SDGs

Addressing the United Nations Sustainable Development Goals

The United Nations adopted the Sustainable Development Goals (SDGs) to achieve significant progress on global economic, social and environmental challenges by 2030. Although directed at governments, the private sector and civil society play an important role in supporting governments' national plans. Safe Bulkers contributes to certain aspects of all 17 SDGs. In this report, we feature six SDGs to which Safe Bulkers is making significant contributions. For additional information, visit the 2020 Sustainability Report content index.

Explore how Safe Bulkers contributes.

Letter from our CEO



Our company's culture, performance, mission, values have been developed over many shipping cycles since 1958, when my family invested in shipping for the first time. We understood very quickly the importance of holistic development which includes not only the business aspects, i.e. shipping investments, financial performance, reliability, etc. but also their impact on our personnel, on our society, on the environment where we all live.

A compass for our business all these years has been the provision of outstanding services to our clients, through the quality of our vessels and our operational excellence. This tradition of excellence has been the cornerstone of the environmental and social governance policies of Safe Bulkers Inc. to which we adhere today, in our effort to build a sustainable, resilient and responsible company.

Our industry's regulatory environment is becoming exponentially complex and includes regulations of the United States of America, the European Union the United Nations' International Maritime Organization and others. In the foreseeable future, we expect the trend of increasing regulatory compliance complexity to continue.

The focus of such regulations is shifted to address one of the biggest threats that the humanity has to face, i.e. climate change and the importance to reduce greenhouse gas emissions.

Our company, through selective actions managed to promote its social footprint, develop its personnel, assist local societies, undertook environmental investments to early adopt the IMO ballast water convention, or to invest in exhaust gas cleaning devices for sulphur oxide emissions and continues to take actions for reduction of greenhouse gas emissions footprint through new investments in the most energy efficient newbulids or improvements on existing fleet.

With these thoughts, I proudly present our 2020 Environment, Social and Governance report, which provides information about our actions and sustainability performance.

Polys V. Hajioannou



ABOUT US

02

Safe Bulkers Inc. (the "Company") is an international provider of marine dry-bulk transportation services, transporting primarily grain, coal and iron ore, worldwide.

We are listed on the **New York Stock Exchange and trade under the symbol "SB"**. As of December 31st 2020, our fleet comprised 42 vessels, with an average age of 10.1 years and an aggregate carrying capacity of 3.8 million DWT.



USD 198mil.

Net revenue in 2020



3.8 mil.

tonnes DWT



22 mil. tonnes

of cargo carried in 2020



4 offices

in 4 countries



10.1

Average fleet age



20%

fleet growth since 2015



809

ports called in 2020



>2.7 mil. miles

covered in 2020



1000

shore and sea based employees



SB

Listed on NYSE



42

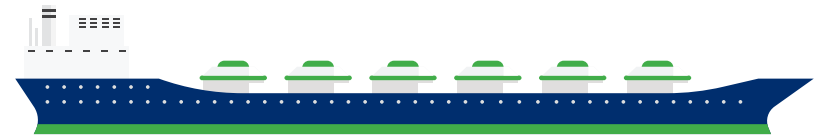
vessels

As of December 31st 2020,
we owned **14 Panamax, 10 Kamsarmax, 14 Post-Panamax & 4 Capesize** class vessels.

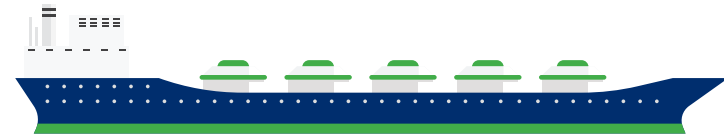
We are responsible for the day-to-day operation of all our vessels, including chartering, marine operations, technical maintenance, crewing (manning of our vessels and training of our seafarers), supplies (provisions and spares), health and safety, and operational and environmental performance.



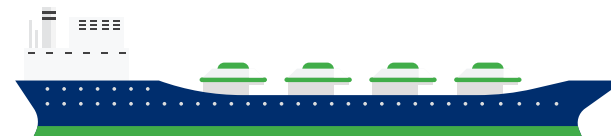
4 Capesize



14 Post-Panamax



10 Kamsarmax



14 Panamax

2.1 Our Values, Vision, Mission & Strategies 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 expectations of shipyards, charterers and financial institutions to advance our business and create value for our shareholders. We hold true to a legacy with an uninterrupted presence throughout several shipping cycles over 60 years 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.

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:

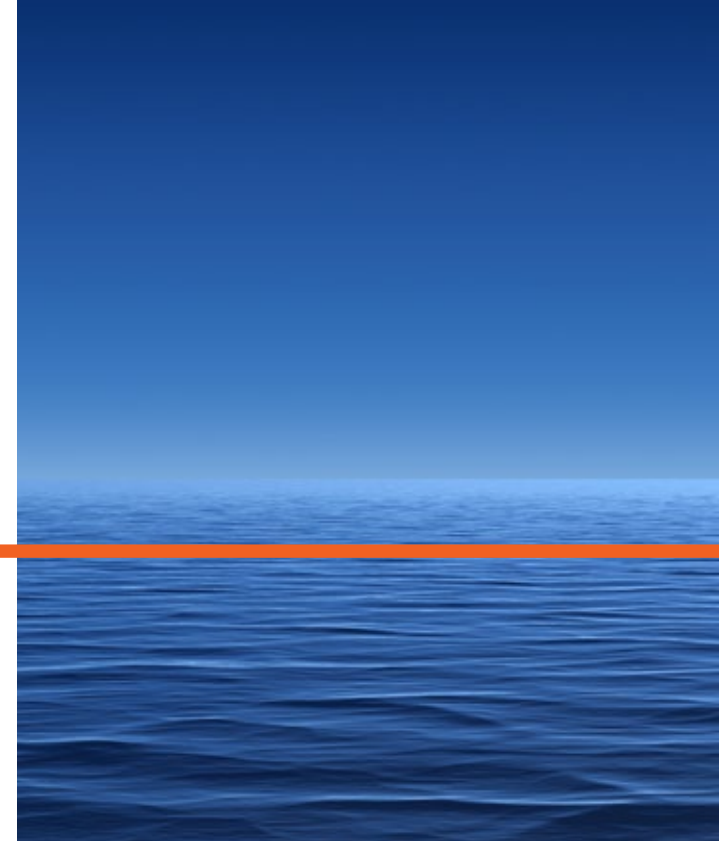
We like problem solvers and people who enjoy making their team feel appreciated and valued.

Our mission

To constantly exceed our customer needs by safely and efficiently transporting dry bulk cargoes worldwide.

Our 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 consistent, pure dry bulk companies.



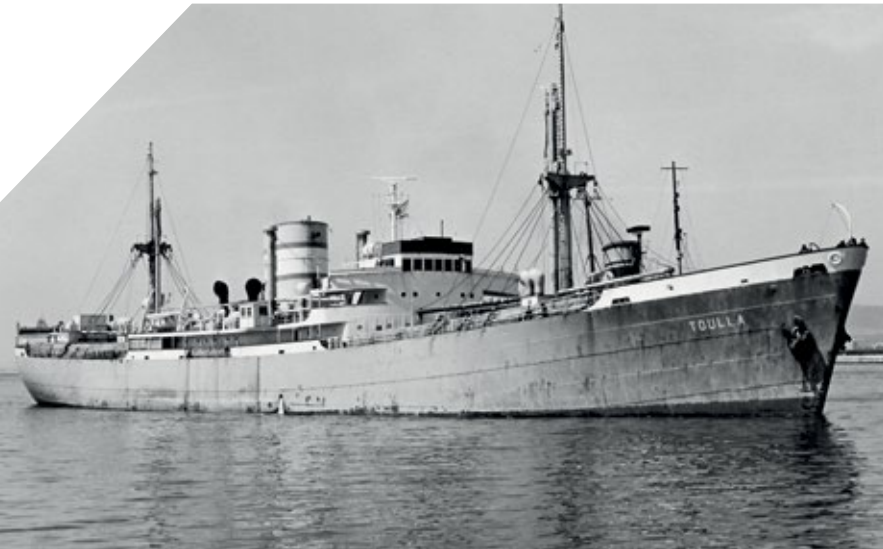
Our Strategies



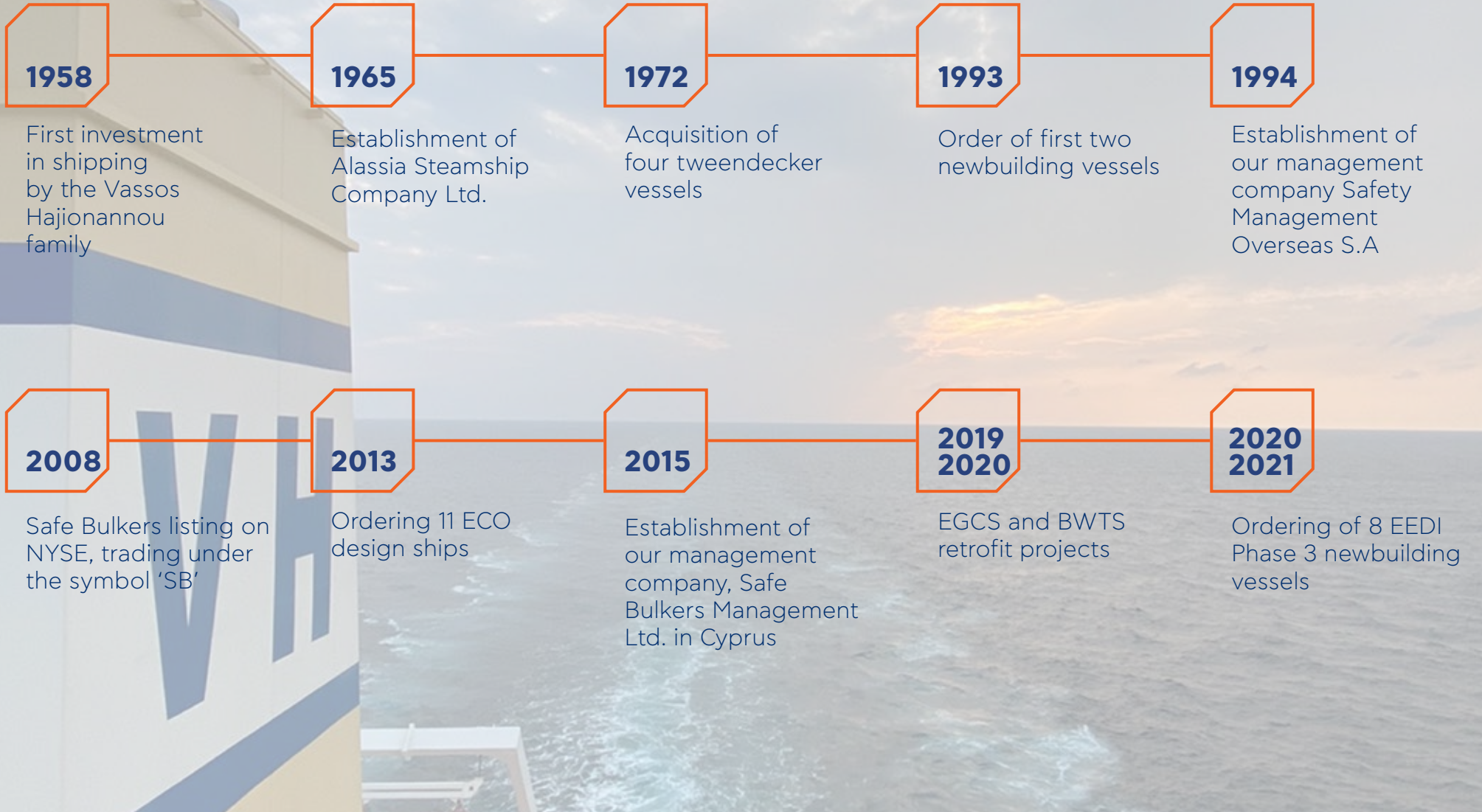
- Pursue a balanced and adaptive chartering strategy
- Operate our vessels at highest standards and achieve operational excellence
- Maintain, upgrade and timely renew our fleet at the forefront of technology, targeting the lowest environmental impact and the provision of the best service to our clients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

Our strategies are designed to create value for our shareholders

2.2 Navigating through time – 60 years of ship management



Being a successor to a company first established in 1958, we hold true to our legacy with a successful and uninterrupted presence in shipping throughout multiple shipping cycles.





RESPONSIBLE GOVERNANCE

03

Our senior management team, led by Polys Hajioannou is composed of seven corporate officers with a cumulative **maritime experience of more than 120 years.**



Polys Hajioannou

has been the Chief Executive Officer of Safe Bulkiers Inc. and Chairman of the Board of Directors since the Company's inception. 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, Safe Bulkiers Inc in 2007 which was listed in NYSE in 2008, and in 2015, Safe Bulkiers Management in Limassol.



Dr. Loukas Barmparis

has been the President of Safe Bulkiers Inc. and Secretary of the Board of Directors since the Company's inception.

He has over 30 years of technical, financial and project management experience, 15 of which in the shipping industry.



Konstantinos Adamopoulos

has been the Chief Financial Officer of Safe Bulkers Inc. and member of the Board of Directors since the Company's inception.

He has over 30 years of shipping experience including 16 years in international financing institutions.



Ioannis Foteinos

has been the Chief Operating Officer of Safe Bulkers Inc. and member of the Board of Directors since February 2009.

He has over 30 years of shipping and chartering experience.



Frank Sica

has been a 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

has been a 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

has been a 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 chief executive officer in leading banking institutions in Greece and has been managing director in investment banking divisions worldwide.

3.1 Summary of Company Policies

In the context of Social Responsibility and Corporate Governance, the Board of Directors of Safe Bulkers, Inc. has adopted Company policies presented below in brief, for all of the Company's employees, directors, officers and agents.



Code of Business Conduct and Ethics

In order for the Company to promote a business culture of honesty, fairness and ethical behavior and to encourage employees to report evidence of illegal or unethical behavior, the Company has adopted the Code of Business Conduct and Ethics. Safe Bulkers' officers endeavor to deal honestly, ethically and fairly with the Company's customers, suppliers, competitors and are urged to maintain the highest degree of confidentiality 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 independent Audit Committee of the Company. The Company at every instance promotes honest conduct that is free from fraud or deception and ethical conduct conforming to accepted professional standards of conduct and does not retaliate or allow any form of retaliation for reports made.

Ethics and Whistleblowing Policy

This policy outlines the Company's principles with respect to receiving and retaining information about and treating alleged incidents involving the Company regarding accounting, internal accounting controls or auditing matters and details procedures for officers to report incidents involving the Company regarding accounting, internal accounting controls or auditing matters and describes actions to be taken by the Company. To that end, the Company has established a dedicated Whistleblower and Ethics Hotline for all inquiries to report possible misconduct related accessible only to the Company's independent Audit Committee members.





Corporate Information Security Policy

The purpose of this policy is to formulate, develop, document, train and communicate policies, procedures, control mechanisms and standards governing key IT function activities and protection of key IT systems and infrastructure from operational, cyber, physical access and other risks. Periodic independent review of such policy, procedures, and controls is performed to assure such policy remains commensurate with risks involved in the Company's operations.

Disclosure Policy

It is the policy of the Company to provide timely, transparent, consistent and credible information to the investing public in conformity with legal and regulatory requirements. These disclosure guidelines set forth the Company's intentions regarding how employees, officers, directors, agents and affiliates of the Company may communicate with outside parties, particularly securities market professionals and those who may own or trade in our stock.

The goal of these disclosure guidelines is to develop and maintain realistic investor expectations by making all required disclosures on a broadly disseminated basis as required by the rules and regulations of the U.S. Securities and Exchange Commission, the New York Stock Exchange -listed company disclosure requirements, and any laws that the Company may be subject to.

Foreign Corrupt Practices Act and Anti-Bribery Policy

The Foreign Corrupt Practices Act of 1977 (FCPA) is a United States federal law known primarily for two of its main provisions, one that concerns bribery of foreign officials, and another that addresses accounting transparency requirements under the Securities Exchange Act of 1934. The FCPA makes it unlawful to bribe foreign government officials to obtain or retain business. It is the Company's policy to strictly adhere to the requirements of the FCPA and the anti-bribery laws of all jurisdictions in which the Company conducts its business. The Company is committed to the highest possible standards of openness, probity, and accountability in all its affairs through the creation of the appropriate "tone at the top." It is determined to maintain a culture of honesty and opposition to fraud and corruption, 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.

We had zero legal and regulatory fines and settlements associated with bribery and corruption in 2020, or any year before that.

Social Media Policy

Social media is an essential tool for communicating with our family and friends. Social media platforms and many others are fantastic for keeping in touch, sharing information and general entertainment. The Company has come up with a few guidelines and a social media check-list to provide helpful and practical advice for its seafarers and office personnel when operating on the internet as an identifiable employee of the Company. Social media is an innovation available to seafarers. It can close the distance between ship and shore and bring their family into their cabin and if used carefully and sensibly, it can enhance the quality of life on board.

European Union data protection law in the form of the General Data Protection Regulation, (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. To that end we have adopted a Data Protection Policy for Privacy and Protections of Personal Data describing and informing our shore employees and seafarers, candidates and third parties what information we may collect directly or by cooperation with any third party, how we collect, store, use, share and protect the information/personal data that we obtain. 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 to 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 this fundamental obligation, 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 by Seafarers for employment purposes. We recognize and respect the privacy of our applicants, current employees and former employees.



Environmental Policy

We recognize our responsibility to safeguard the environment and give great prominence to improving our environmental performance. To this end, we have implemented an Environmental Management System whose pillars are shown below:

- Ensuring that all vessels under our management comply with all environmental regulations
- Constantly evaluating our environmental performance for continuous improvement and prevention of any kind of pollution by setting and reviewing environmental targets.
- Reducing our carbon footprint by investing in new building vessels, energy saving devices, new sensor technologies and emission abatement technologies.
- Reducing to the extent possible garbage produced from our ships and promote recycling practices to our offices
- Raising the environmental consciousness of our personnel and investing in their training in environmental programs

We regularly review our environmental policy, ensuring that it is up to date with our operation's scale and potential environmental impacts. Our environmental policy is made public on-board all our vessels in an effort to increase the environmental awareness of our crew.

Safety and Health Policy

It is our policy to promote safety at sea, health and prevention of human injury, illness or loss of life and avoidance of damage to the environment, particularly the marine environment and property.

The Company's objectives regarding Safety Management are:

- To provide for Safe Practices in ship Operation and a safe working environment.
- To prevent damage to the ship, her cargo and the environment.
- To assess all identified risks to its ships, personnel and the environment and establish appropriate safeguards.
- To prevent loss of human life and personal injury or illness.
- To continuously improve Safety Management skills of personnel ashore and aboard ships, including preparing for emergencies related both to Safety & Environmental Protection.



Non-Harassment Policy

We are committed to the elimination of harassment and bullying and to ensuring a working environment in which everyone is respected. In order to tackle harassment and bullying, the Company actively encourages its seafarers to bring incidents, including those that affect others, to its attention without delay, adopting reporting procedures conducted in absolute confidentiality, in which all seafarers should have confidence.

No Company employee shall harass or bully another Company employee. All seafarers have the right to work without suffering harassment and bullying. For the dignity and well-being of all seafarers, the Company is committed to the elimination of harassment and bullying in vessels and to ensuring a working environment in which everyone is respected. Harassment and bullying are examples of conduct that is unwanted and can have detrimental impacts, including stress, lack of motivation, reduced work performance, absence from duties and resignations. In order to tackle harassment and bullying, the Company actively encourages its seafarers to bring incidents, including those that affect others, to its attention without delay, adopting reporting procedures conducted in absolute confidentiality, in which all seafarers should have confidence.

Non-alcohol policy

It is the Company's policy that no seafarer, in whatever capacity or rank, shall undertake duties, or operate any equipment, or navigate a vessel while under the influence of drugs or alcohol or while there is any risk of impairment.



3.2 Strong Internal Controls

Risk Management

Our risks are identified in detail in our Annual Report in Form 20F and consist of risks inherent to our industry and business, risks in relation to our stock and tax risks.

We assess operational risks on a quarterly basis adopting necessary risk mitigation measures to ensure uninterrupted operation of our business activities.

Our philosophy is that mistakes are not a sign of weakness but an opportunity for constant improvement. The most important operational risks that our Company faced during 2020 are listed below:

01

Operational and technical risks affecting our vessels

02

Environmental compliance especially with new equipment (Scrubbers) or use of Very Low Sulfur Fuel oil

03

COVID-19 related risks (crew changes, supplies)

04

Cyber security

Securities Exchange Commission Rules and Regulations - Sarbanes-Oxley Act of 2002

We adhere to the highest accounting and reporting standards complying with the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Securities Act of 1933, as amended, and the other rules and regulations of the SEC, including the Sarbanes-Oxley Act of 2002. Compliance with certain corporate governance requirements and financial reporting obligations, such as the systems and processes evaluation and testing of our internal control over financial reporting, which allow management to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of Sarbanes-Oxley Act of 2002, is time consuming for our management and increases legal and compliance costs.

Disclosure controls and Procedures

Our Management evaluates the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act constantly throughout the year and report on an annual basis.

In making its assessment of our internal control over financial reporting on an annual basis, management is using the criteria set forth in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission of 2013 ("COSO").

Management concluded that, as of December 31st, 2020, our internal control over financial reporting was effective. Deloitte Certified Public Accountants S.A. ("Deloitte"), our independent registered public accounting firm, has audited the financial statements and our internal control over financial reporting and has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31st, 2020.



3.3 Alignment with UN SDGs

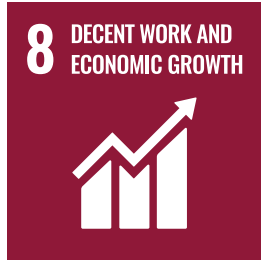
In 2015, the **United Nations adopted a number of Sustainable Development Goals (SDGs)**, which provide the pathway for a more sustainable future. These goals address the most critical challenges of our time, such as eradicating poverty, creating equal access to education, preserving the environment and stopping climate change.

While we support all of the SDGs, we are mainly focused on six of them, which we believe are the most relevant to our business and for which we could potentially contribute:





We give great significance to the training and education of our on-board and on-shore employees. In this context, we have created a modern training program for our seafarers in safety-related items and announced a scholarship program.



We provide stable employment and health insurance to over 1000 seafarers and on-shore employees.



We cultivate innovation by operating one of the most modern fleets. We invest in new technologies, energy efficiency devices and performance monitoring systems.



We contribute to climate action by investing in SOx and NOx abatement technologies. Also, with our extensive fleet renewal program, we reduce the carbon footprint of our vessels.



We have invested in water ballast treatment systems and carried out an extensive water analysis campaign to assess the quality of EGCS washwater discharges at sea.



We are affiliated with HELMEPA and CYMEPA, the voluntary associations of Greek & Cypriot seafarers and ship owners to safeguard the seas from ship-generated pollution. We are also members of the Clean Shipping Alliance, whose mission is to provide information and data on the environmental performance and benefits of open-loop scrubbers.



ACHIEVING SUSTAINABLE ECONOMIC GROWTH

04

4. Achieving sustainable economic growth



Safe Bulkers navigated through the rough seas of the pandemic successfully.

The downturn of the shipping market due to the pandemic is reflected in the TCE rate, which dropped to USD 10,559 for 2020 from USD 12,805, in 2019.

2019 and 2020 were the culmination years for our EGCS and BWTS retrofit projects, which introduced a significant amount of idle days in drydocks.

Net Revenues of 2020, amounted to \$198.2 mil. USD, compared to \$197.8 during 2019.

We remained loyal to our lean-operations principle, keeping our daily OPEX stable despite the:

- High number of drydockings
- Operation of EGCS and BWTS systems
- Increased cost of crew changes due to the pandemic
- High initial cost of compliant fuel

We employed our vessels mostly on time-charter contracts.

Our revenues over the last six years are shown in the table below.



USD 10,559

TCE rate in 2020



USD 4,591

Daily OPEX in 2020



USD 206.0 mil

Revenues in 2020

Table 1:

Revenues over the last 6 years

	2015	2016	2017	2018	2019	2020
Revenues [mill. USD]	132.4	114.0	154.0	201.5	206.7	206.0

Green Investments

We acknowledge that environmental conservation is crucial for our survival not only as a shipping company but also as individuals. In this context, we have embarked on an extensive ecological investment program mainly focused on the early adoption of Ballast Water Treatment Systems (BWTS) and voluntary installation of Sulphur Oxides (SOx) Exhaust Gas Cleaning Systems (EGCS), known as scrubbers in half of our fleet, mainly on the higher DWT vessels. Our Green Investments, as of December 31st 2020, amounted to USD 67.2 million. Currently, we operate 20 vessels fitted with EGCS and 31 vessels with BWTS.



Table 2:

Green investments

CAPEX Invested (mil. USD)	2018	2019	2020
BWTS	3.5	4.1	6.1
SOx Scrubbers	5.0	38.8	9.7
Total	8.5	42.9	15.8

We have also launched an extensive ongoing fleet renewal program, selling our older and less efficient vessels and investing in more modern and efficient second-hand vessels and state-of-the-art Japanese built newbuilding vessels.

Our orderbook as of today is comprised of five Kamsarmax and three Post-Panamax vessels scheduled to be delivered between 2022 and 2024.

All our newbuild vessels on order are Japanese and designed with energy and power-saving features to meet the latest GHG emissions 'EEDI, Phase 3' requirements and comply with IMO's NOx Tier III regulations.



OPERATIONAL EXCELLENCE

05

5.1 Constantly improved records on Health and Safety

We strive to constantly improve operational and environmental performance across our business. To achieve this, we conduct regular internal audits, on-board inspections, monitoring and assessing our performance through several metrics.

- We carry out internal audit on each vessel to ensure full compliance with environmental and safety rules and regulations.
- Our company policy is to carry out ship visits both by technical and marine superintendents. To tackle the travelling difficulties imposed by the pandemic, we employed reputable external surveyors to board and inspect our vessels.
- We are certified with **ISO 50001** standard for energy management and **ISO 14001** for environmental management.

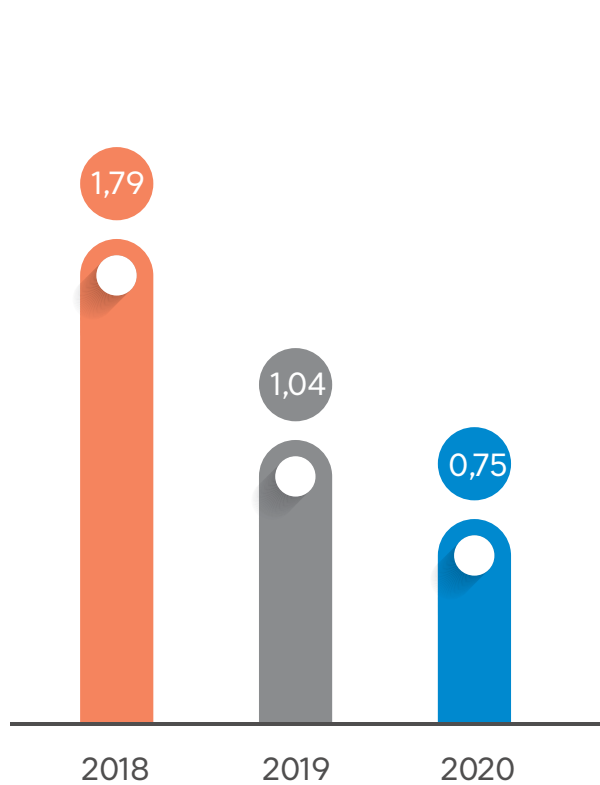


Operational excellence in numbers

- In the past three years, we have constantly improved our Port State Control (PSC) deficiency per inspection ratio and increased the percentage of inspections with zero deficiencies.
- In 2020, PSC deficiency/inspection ratio dropped by **28%** compared to 2019.
- PSC deficiencies dropped by **63%** from **126** in 2019 to **47** in 2020, while the number of inspections dropped by **50%**.
- Inspections with zero deficiencies improved by **10%** between 2019 and 2020.
- Zero** fatalities over the last **3** years.

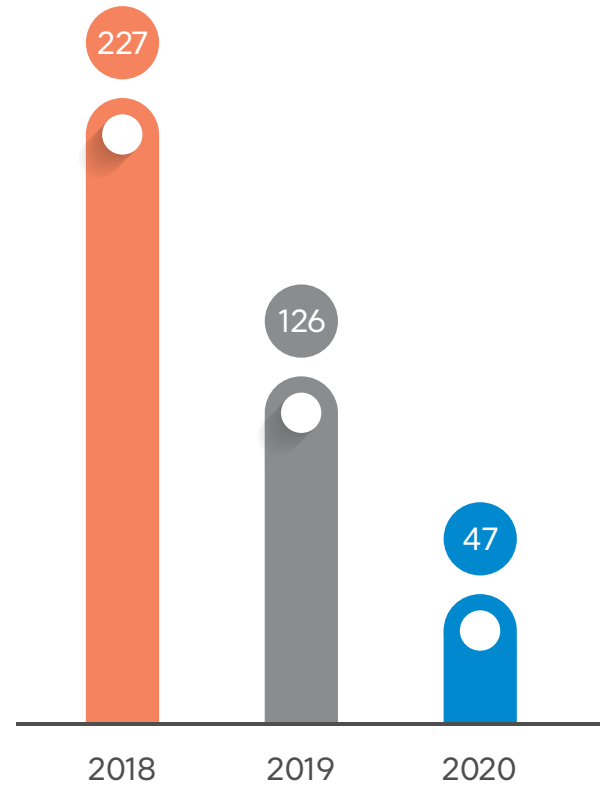


Average PSC deficiency / inspection ratio



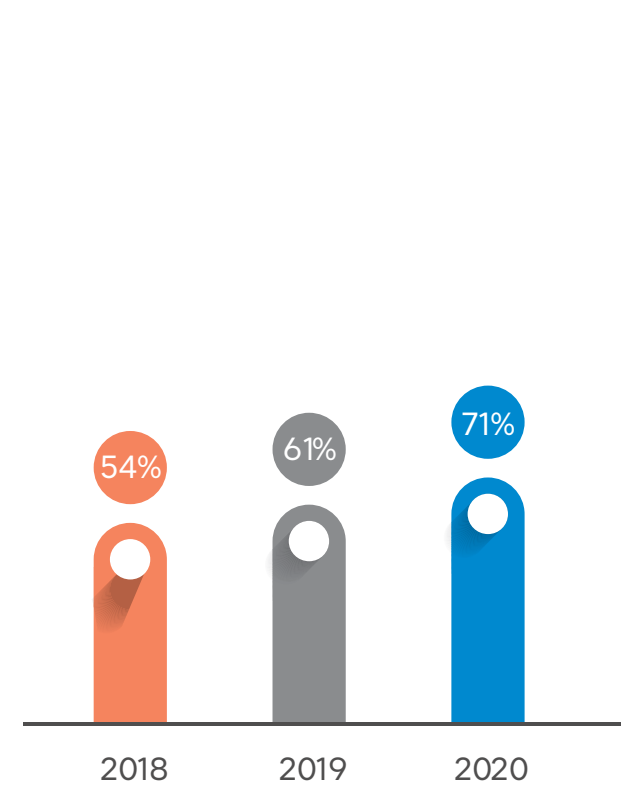
↓ **28%**
In deficiency/inspection ratio year on year

Annual Defficiencies



↓ **63%**
In No. of deficiencies year on year

Inspections with zero deficiencies



↑ **10%**
In percentage of inspections with zero deficiencies year on year

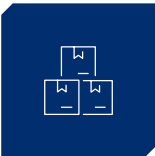
5.2 Optimization of our procurement processes

In an effort to reduce forwarding expenses as well as our indirect carbon footprint in every aspect of our operations, we consolidated our forwarding activities to achieve efficiency and economy of scale. We supplied our vessels with spare parts in bulk orders, considering their maintenance needs over the next six months.

In this way, not only did we drastically reduce our forwarding expenses, but we also reduced our environmental footprint. Moreover, due to the scarcity of flights amidst the COVID-19 pandemic, we transported a significant number of spare parts by sea instead of air transport, reducing our indirect CO2 emissions.



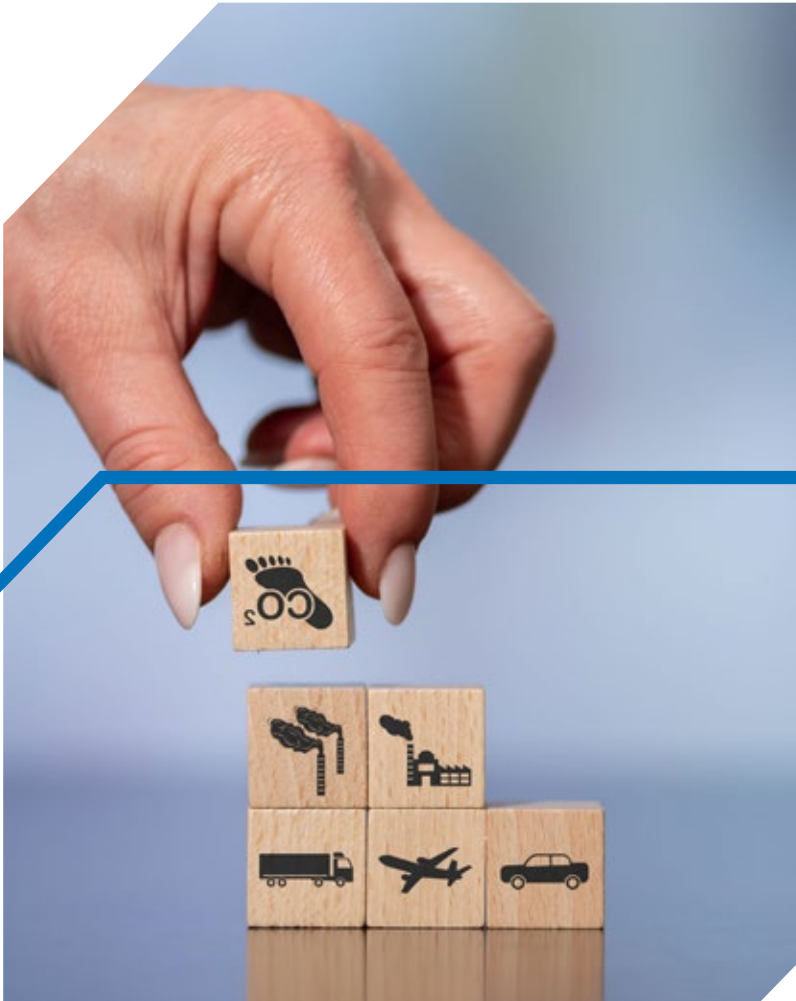
Efficient Procurement process



Bulk orders of spare parts



Utilization of seaborne transportation



5.3 Investing in Energy Saving Devices

As the effects of global warming and climate change become more evident, investing in new technologies in the shipping industry becomes imperative. Safe Bulkers owns and operates a number of modern, eco-friendly bulk carriers, with energy efficiency features such as:

- Hydrodynamically optimized hull forms and propellers
- Energy-saving devices such as the rudder bulb fins and the wake equalizing ducts, thrust fins, propeller boss cap fins etc.
- Electronically controlled, fuel-efficient two-stroke diesel engines.
- Sensors for continuous monitoring of the condition of machinery
- Exhaust Gas Cleaning Systems which drastically reduce SOx emissions.

We continue to evaluate options in energy efficiency technologies to upgrade our existing fleet. Furthermore, we invest in new technologies through our extensive new-building and fleet renewal program. All of our newbuilding vessels will be equipped with hydrodynamic energy efficiency devices as well as NOx abatement technologies such as Selective Catalytic Reduction (SCR) and Exhaust Gas Recirculation (EGR) systems.



Rudder Bulb Fin on M/V TROODOS SUN



Duct and propeller boss cap fin on our newly acquired vessel M/VKOULITSA 2



Propeller boss cap fin on M/V PEDHOULAS ROSE



THE ENVIRONMENT

06

6.1 Installation of EGCS

The IMO 2020 regulation mandated that from January 1st 2020, the global upper limit on the sulfur content of ship's fuel oil is capped at 0.5%. In certain sulfur Emission Control Areas, this limit is further reduced to 0.1%. There are two ways to comply with the new regulations, either by using compliant fuel with 0.5% Sulphur content or by installing an Exhaust Gas Cleaning System (EGCS). Safe Bulkers decided to comply with the new sulfur emissions-related regulation by adopting a mixed, risk mitigating strategy.

We retrofitted 20 of our vessels (12 Post-Panamax vessels, 6 Kamsarmax vessels and 2 Capesize vessels) with Alfa Laval PureSOx open-loop exhaust gas cleaning systems, while the rest of our vessels are burning compliant fuel. In this way, we hedged the risk of compliant fuel prices while remaining at the forefront of environmentally friendly technologies. Open-loop scrubber systems use seawater to reduce the sulfur content of exhaust gasses. The processed water is then discharged overboard, in compliance with IMO 2020 regulations.

Scrubber retrofitting proved to be a very demanding project in both technical and operational terms. All retrofit projects were supervised by our in-house engineering team, which oversaw their successful and timely installation and commission. As of December 31st 2020, 50% of our fleet was equipped with PureSOx exhaust gas cleaning systems.

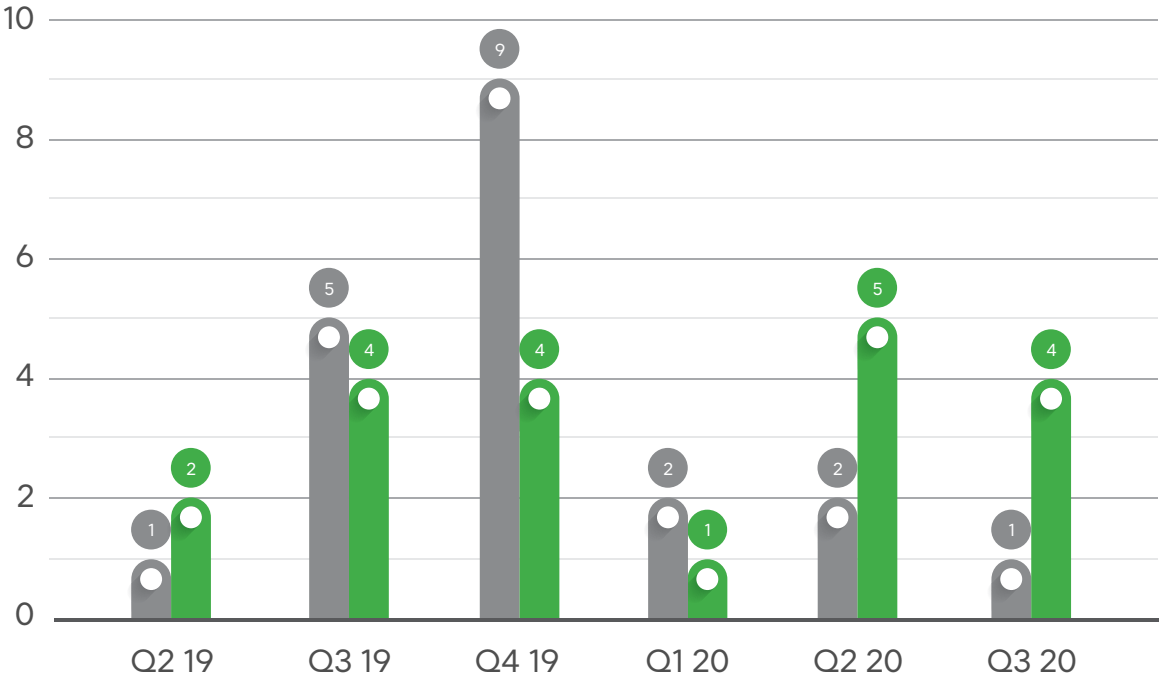


6.2 Installation of BWTS

When a ship is not laden, it uses ballast water to increase its draught and ensure complete propeller immersion. When ballast water is discharged back into the sea, invasive species may be unintentionally introduced to new habitats, destabilizing marine life. To counteract this IMO has enacted the Ballast Water Management Convention, which mandates that all vessels in international trade should manage their ballast water. Continuous ballast exchange is one way of temporary compliance with the regulations, but eventually, all ships need to install a system to treat

their ballast water before releasing it back to the sea. Further to detailed evaluation, Safe Bulkers has decided the fleetwide installation of Erma First Ballast Water treatment systems. Erma First BWTS became the first full flow electrolysis system worldwide to receive the United States Coast Guard type approval certificate in October 2017. As of December 31st 2020, we have installed BWTS in 31 of our vessels, with very satisfactory results.

EGCS and BWTS installation timeframe



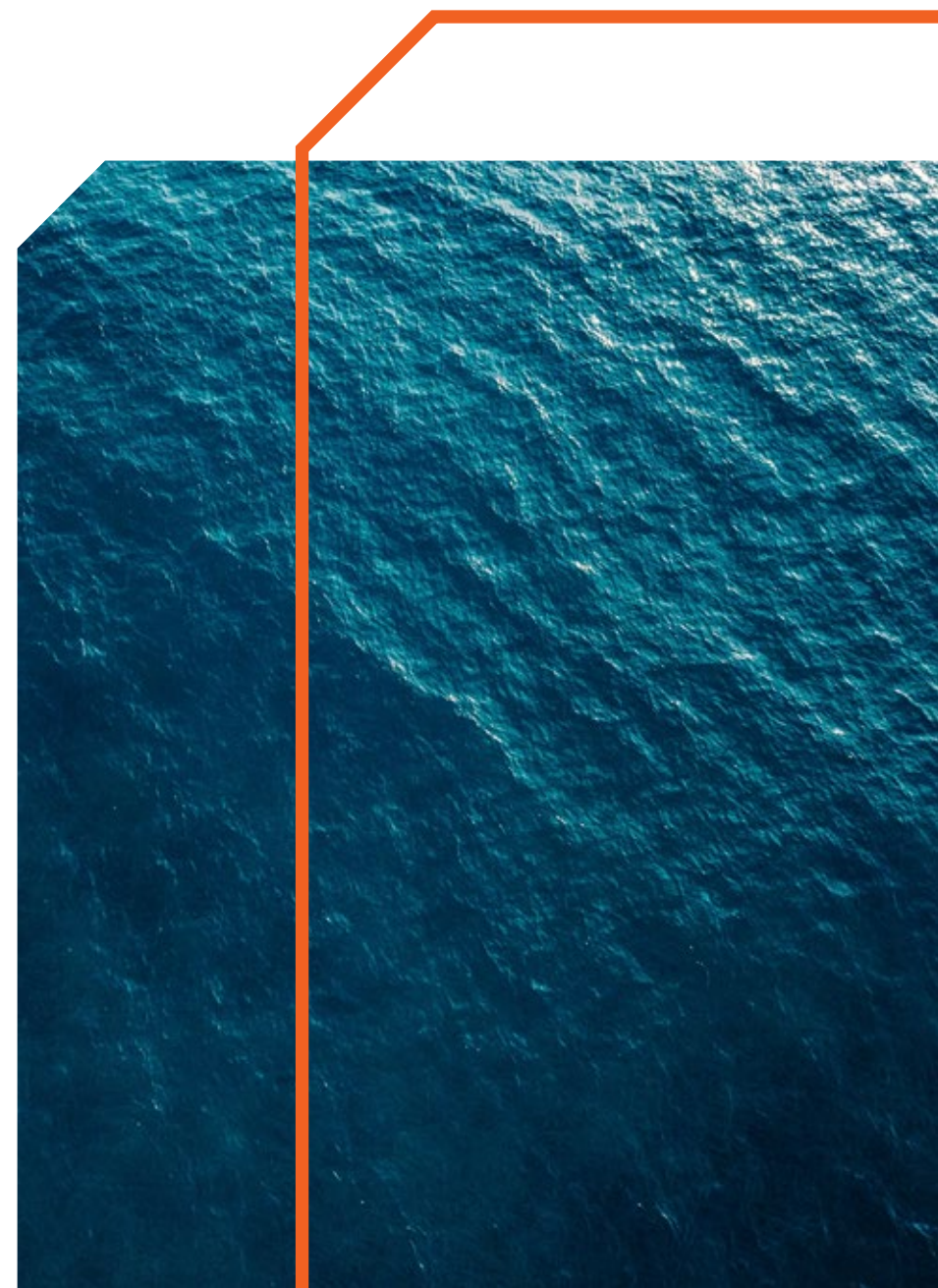
6.3 Beyond Compulsory Compliance

6.3.1 Washwater Analysis Campaign

There has been much discussion regarding the quality of effluent water discharges by open-loop scrubbers. To alleviate these concerns, Safe Bulkers conducted a comprehensive sampling campaign to obtain data on washwater discharges from EGCSs, following the American Bureau of Shipping guidelines. The goal of this project was to assess any potential environmental impact of open-loop EGCSs and provide the IMO with the data obtained. Water discharges from 19 of our vessels were sampled and analyzed between July 2019 and December 2020. Analyses were carried out by independent laboratories, using EPA or ISO methods.

The following washwater parameters were examined:

- Acidity - pH
- Polycyclic Aromatic hydrocarbons (PAH) (mg/L)
- Turbidity (FNU)
- Nitrates (mg/L)
- Additives or other substances



Results are summarised in the table below:

Parameter	Limit	Average Value	Minimum	Maximum
Acidity (pH)	Min. 2,7	3,97	2,87	5,94
PAH (mg/L)	Max. 50	0,875	<0.1	7
Nitrates (mg/L)	Max. 45*	2,15	<0.1	14,4
Turbidity (FNU)	Max. 25	5,16	1	21,2

*Maximum limit differs for each vessel. Average upper limit was 45 mg/L

As far as additives and other substances are concerned, inlet and discharge water was analyzed for a total of ten (10) dissolved metals. Results showed very low or undetectable concentrations in both streams, inlet and wash water outlet. Increase of concentrations in wash water was either non-existent or marginal demonstrating that open loop scrubber wash water does not affect the marine environment. It should be noted that analysis and monitoring of such substances was performed for reference purposes only, on a voluntary basis, since no specific discharge limits have been established.



6.3.2 Scrubber operation below regulation limits

Moreover, we operate our EGCS well below ECA mode (0.1% Sulphur in the final emissions) at all times, even though the limit in most areas is 0.5%. In this way, our EGCS fitted vessels produce 8 times fewer sulfur emissions to the atmosphere compared to similar vessels burning compliant fuel.

6.3.3 MARPOL Proactive system

We have established a proactive system to prevent the violation of any environmental rule or regulation in our vessels. To this end:

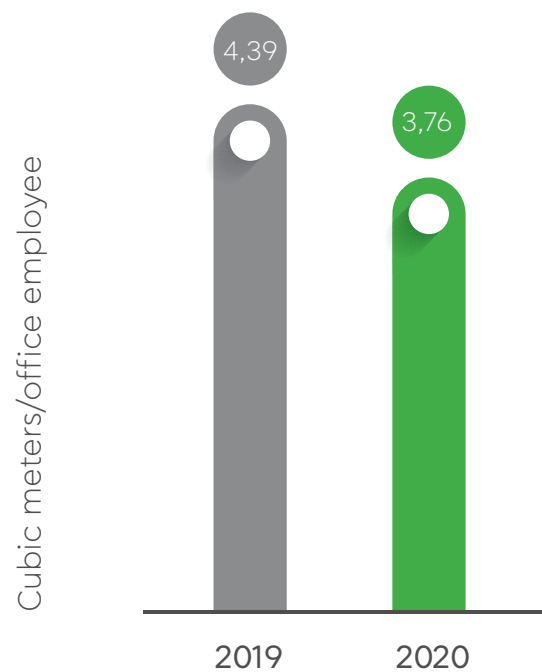
- We have installed CCTV cameras, monitoring certain engine room areas where such violations might take place
- We have established a ship-specific tag-sealing system that is monitored by our on-shore personnel and inspected during ship visits.
- Our engineers conduct environmental audits during ship visits.
- Maintain a rigorous on-board environmental training program



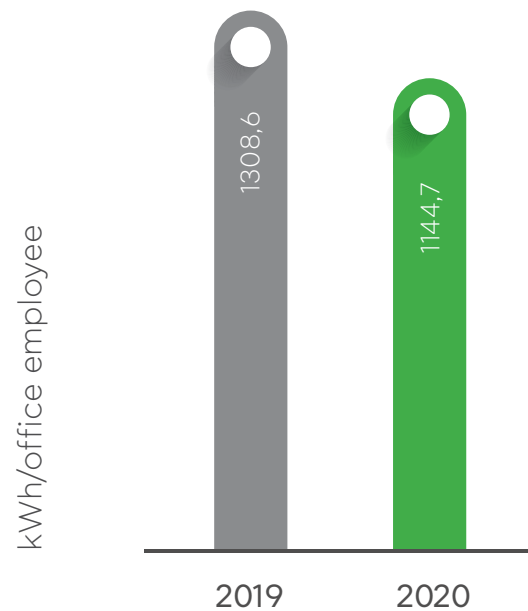
6.3.4 Environmental impact of our on-shore activity

Our office water consumption per employee was reduced by 14.5% year to year, while our electricity consumption per employee was reduced by 12.5% compared to 2019.

Office Fresh Water Consumption / Employee



Office Electricity Consumption/ Employee

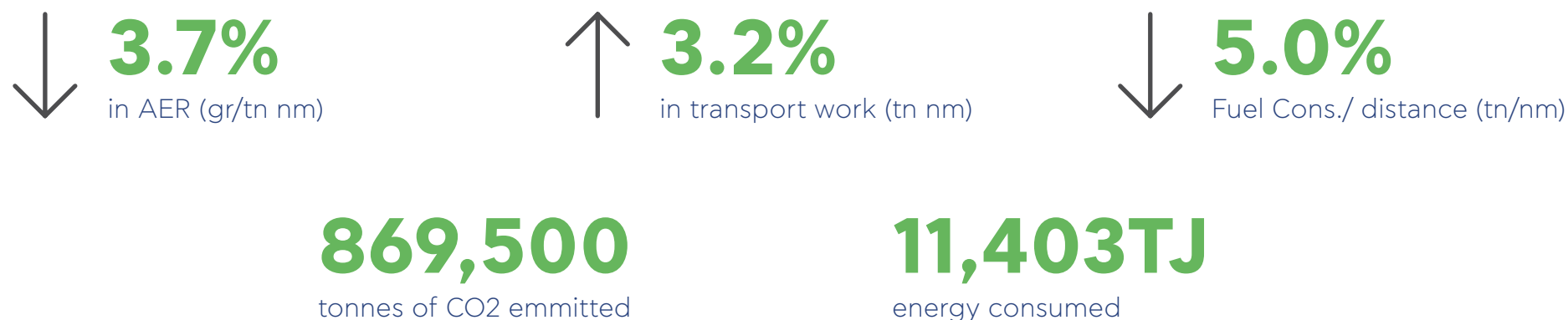


6.4 Emissions Profile

CO2 Emissions

We measure our operation's transport energy efficiency and carbon intensity using the Annual Efficiency Ratio (AER, IMO DCS method). In 2020, we managed to reduce the AER of our fleet by 3.7 % compared to 2019. The reduction of AER is attributed to: i) increased transport work in 2020 by 3.2% compared to 2019 due to lower number of dry-dockings and related idle days and ii) reduced fuel consumption in 2020 by 5% compared to 2019 due to improved hull efficiency because of the dry-dockings.

Our fleet highlights in term of Energy Efficiency and Carbon Intensity in 2020

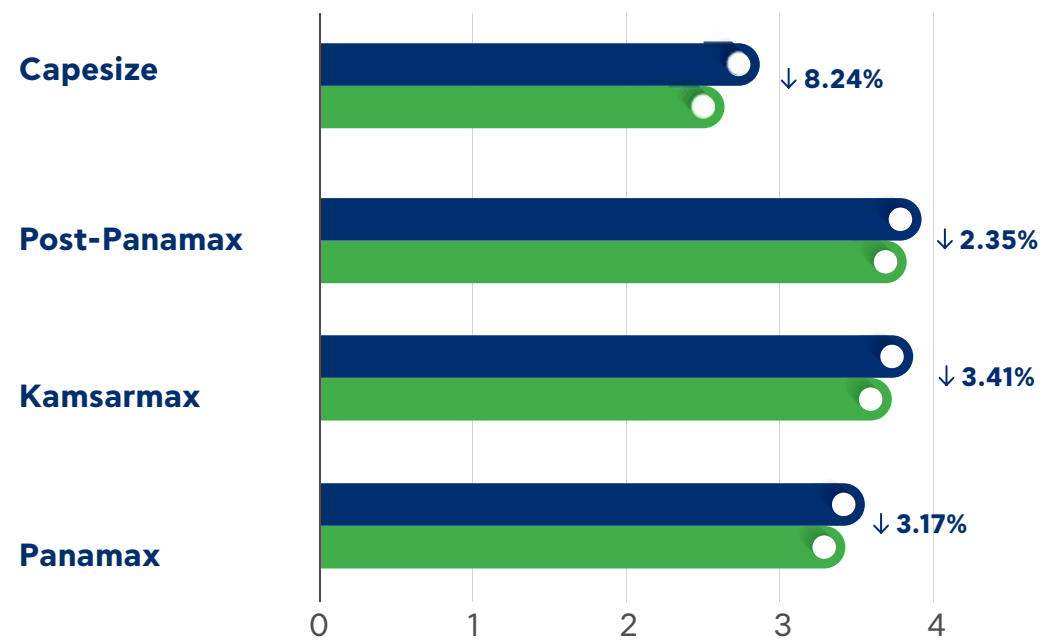


Evolution of AER per vessel size

We managed to reduce the Annual Efficiency Ratio for every segment of our fleet. The most notable improvement was observed at our Capesize vessels, where AER dropped by **8.24%**.

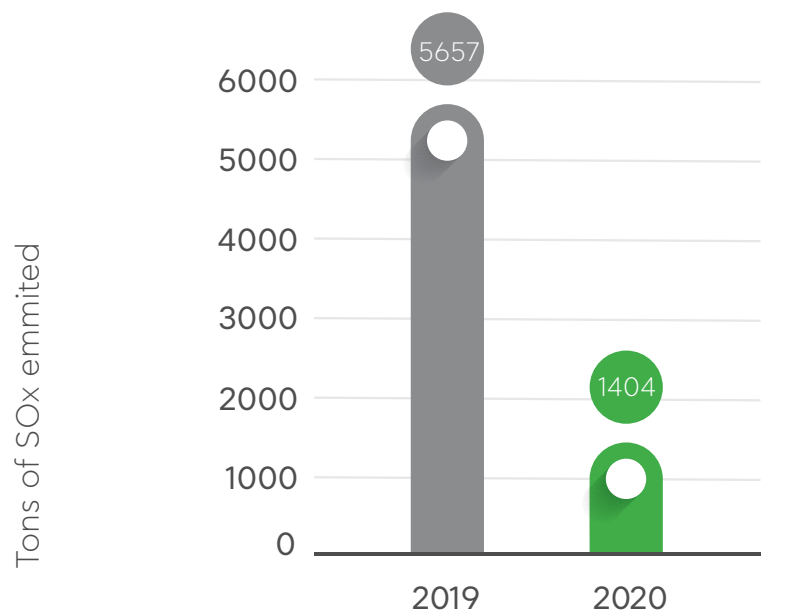
AER for 2019 and 2020 per vessel size (IMO DCS method)

■ 2019 ■ 2020



SOx emissions

In 2020 a drastic reduction in Sulphur Oxide (SOX) emissions was recorded due to the IMO Sulphur Cap. Sulfur oxide emissions produced by our fleet in 2020 amounted to 1,404 tonnes, reduced by 75% compared to 2019. This drastic reduction is attributed partly to the adoption of compliant fuel by half of our fleet and, more importantly, to the operation of our scrubbers, which operate below 0.1% Sulfur equivalent fuel level, which is five times lower than the limit imposed by the regulation.



↓ **75%** in SOx emissions
year on year

NOx Emissions

Nitrogen oxide (NOx) emissions produced by marine diesel engines are solely dependent on engine technology. Marine engines are categorized on Tiers, namely Tier I, Tier II, Tier III, in relation to the NOx emissions they produce. All ships with a keel-laying date later than January 1st 2016 have to comply with the IMO Tier III regulation. Currently, we operate vessels equipped with Tier I and Tier II engines. NOx emissions produced by our fleet amounted to 18,150 tonnes in 2020. As our eight newbuild vessels, which are Tier III compliant (abatement technologies such as EGR or SCR, achieving a 75% NOx reduction compared to Tier I) will be gradually delivered from 2022 to 2024, we expect to observe a significant reduction on NOx emissions.

6.5 Compliance with EU MRV & IMO DCS

We have achieved full compliance with the IMO DCS and the EU MRV regulations. We monitor our consumption emission footprint through a standardized, strict and structured process to ensure consistency and accuracy in our reporting. In addition, our vessels sailing from and to EU ports are subject to third-party verification by an accredited verifier.





OUR PEOPLE

07

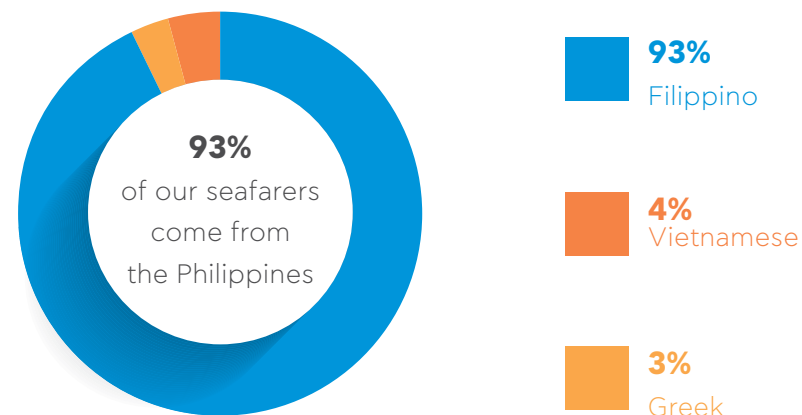
7.1 Our seafarers

Our pool of sea personnel consists of 1500 seafarers, about 800 of whom currently serve on-board our vessels. We manage the manning of our fleet in close cooperation with long-established manning agents, which assists us in the recruitment of highly skilled professionals. We employ crew from three (3) different countries and 93% of our seafarers come from the Philippines.

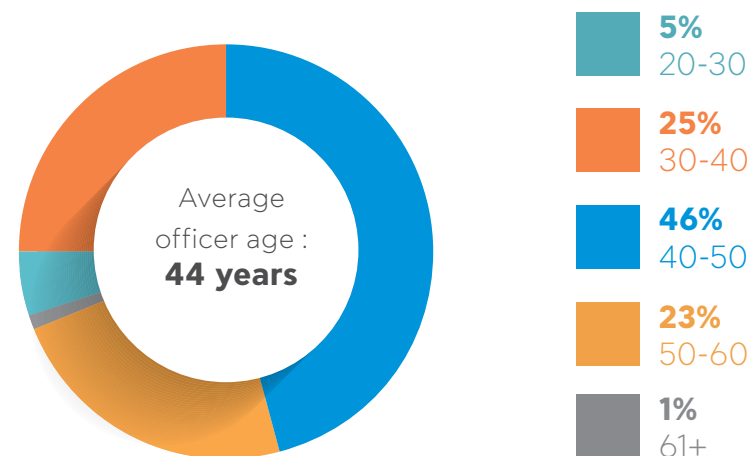
Our goal is to maintain a young yet adequately experienced crew. In 2020, the average officer age was 44 years. We strive to keep high retention rates and reward our seafarers with competitive salaries related to their performance and their repeated service with us.

In 2020 the crew salaries, bonuses and social security expenses amounted to over USD 32 mil.

Seafarers' Nationality distribution



Officers' age distribution



Working on-board involves intense physical labor, sometimes under extreme weather conditions, limited recreational activities and living in confined space.

The latter became much more intense during the COVID-19 pandemic. At the same time, seafarers are the backbone of proper and safe operation and maintenance of our ships.

We are devoted to supporting the physical and mental well-being of our seafarers. To this end, we have equipped our vessels with Wi-Fi connection, gym equipment and other recreational facilities. We have also established a private insurance scheme for our officers and their immediate family members.

Moreover, since the pandemic outbreak, we have adopted a remote medical assistance consultation service that provides our seafarers in need with medical advice and diagnosis.

44 years

Average age of our officers

USD 32 mil.

In crew remunerations

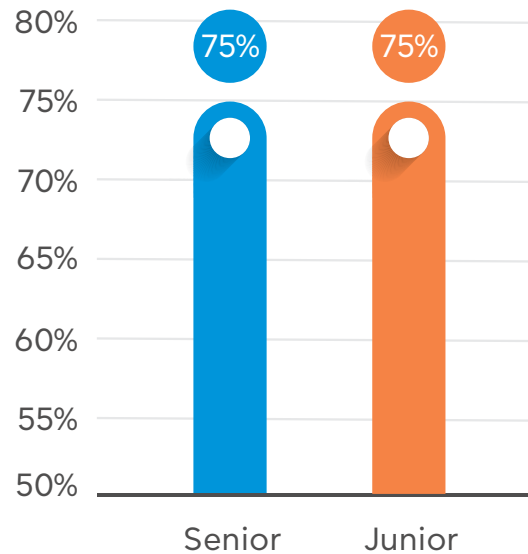
1500

Pool of seafarers

We invest in our human capital and do our best to maintain high retention rates.

We try to reemploy seafarers at sisterships to maximize their performance and minimize their familiarization period. In 2020, the junior and senior officer retention rate was **75%**.

Officer retention rate



75% Retention rate of Senior and Junior officers

7.2 Crew changes amidst the pandemic

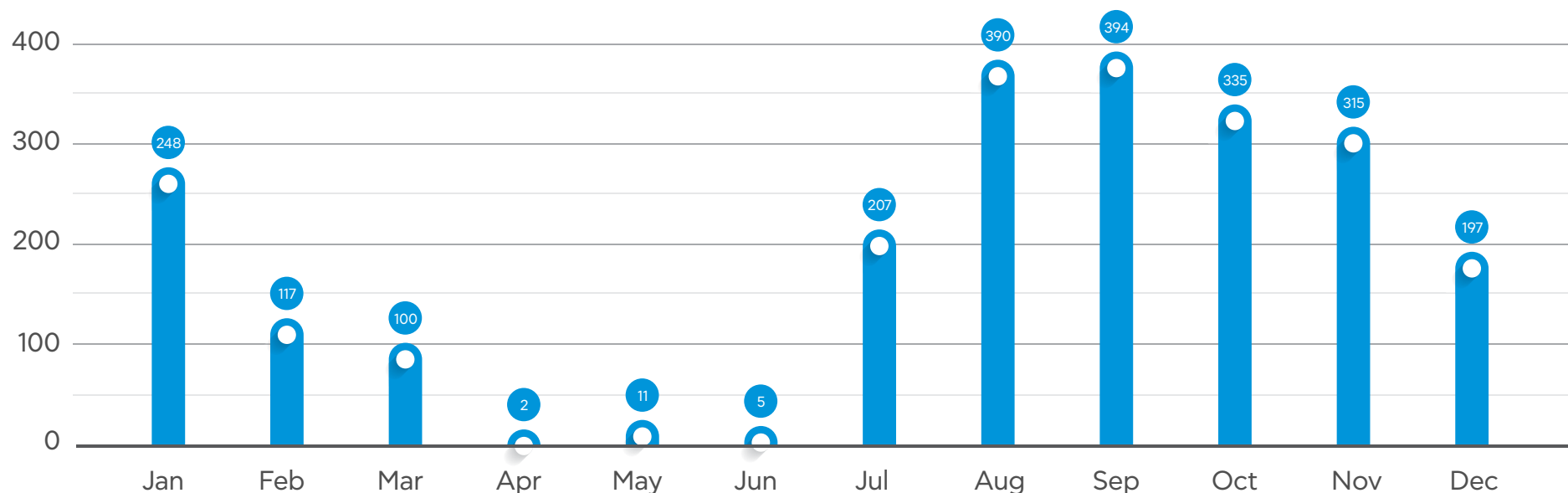
The COVID-19 pandemic had a substantial impact on almost every aspect of our operations, with crew changes being the most affected. Crew change restrictions at most ports resulted in prolonged serving periods. To support our crew in coping with the challenging 2020 conditions, we adopted several counter-measures:

Twenty-four (24) deviations to Manila Bay (Philippines) and Vung-Tau (Vietnam) were carried out for crew changes at our expense.

On-demand one-to-one remote medical consultation service at our expense.

Crew's internet and telephone allowance to ease communication with their families.

Number of Crew Changes in 2020



7.3 Endorsement of the Neptune Declaration



We have a shared responsibility to resolve the crew change crisis. Join us.

The Neptune Declaration
on Seafarer Wellbeing and Crew Change

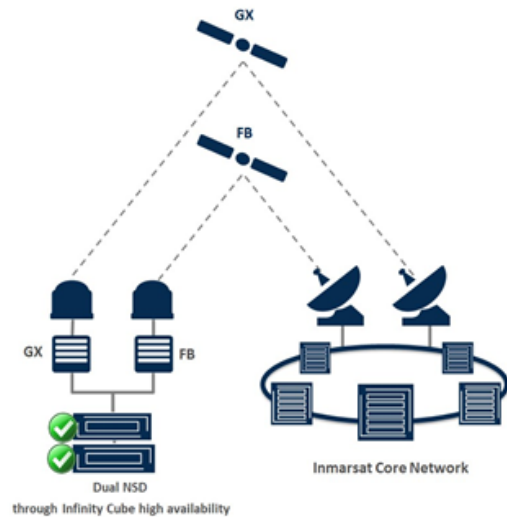
Safe Bulkers endorsed the Neptune Declaration on Seafarer Wellbeing and Crew Changes to address the unprecedented crew change challenges instigated by the pandemic. The Neptune Declaration's main objectives are:

- Recognize seafarers as key workers and give them priority access to COVID-19 vaccinations
- Implement high-standard health protocols
- Increase collaboration between ship operators and charterers to facilitate crew changes
- Ensure airline connectivity between key maritime hubs for seafarers

Our CEO actively participated in international forums and panels raising awareness about the crew changes crisis proposing realistic solutions such as the safe corridor and vaccination provision for crew personnel adopted by the Republic of Cyprus.

7.4 Improving ship to shore communication

Fast and reliable ship-to-shore communication is essential both for efficient monitoring of our vessels as well as for our crew's recreation and communication needs. Considering the day-to-day needs of our crew for internet access, both for recreation and communication (access to social media, video calls etc.), we have invested in a High-Bandwidth, High-availability marine communication system. This non-standard satellite communication system provides ultimate reliability through a dual satellite constellation, using Ka-band with unlimited L-band backup, ensuring seamless global mobility. The total investment cost for upgrading satellite communications amounted to USD 604,800.



7.5 Training program for our seafarers

We invest in the development of our people and maintain a continuous training program. Prior to their embarkation, extensive familiarization meetings are carried out where the Company's policies are presented and thoroughly communicated. Moreover, we carry out advanced safety training courses, including:

- Fire prevention and firefighting drills
- Lifeboat drills
- Enclosed space drills
- MARPOL requirements and consequences in case of deviations/violations



7.6 Our shore-based personnel

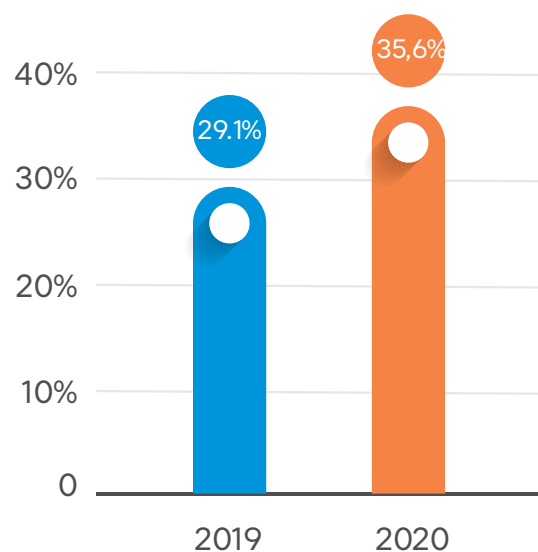
The operation of our vessels is constantly monitored and supported by an on-shore team of skilful employees. We remain devoted to creating and maintaining a positive working environment of equal opportunities where our employees can perform to the best of their abilities and grow.

The management of our vessels is overseen by about 100 employees located mainly in Greece and Cyprus and employed by our Management Companies.

This corresponds to about 2.4 employees/managed vessel.

We promote a diversified working environment, having increased in 2020 the female to male ratio by 6% compared to 2019

Female to Male Ratio



Continuous improvement of our human capital lies in the very heart of our philosophy and working principles. In this respect, all our employees receive annual performance appraisals based on the goals set individually for each of them. Promotions and performance-based bonuses are directly linked to the evaluations' results. The pleasant and creative working environment that we aim to maintain, combined with our organization's career prospects, result in high retention rates.

40%

of superintendents have sea-going experience

95%

of our employees have attended higher education

43.5 years

average age of our employees

7.7 Response to COVID-19 pandemic

On board

- Introduction of enhanced safety policies to perform the necessary crew changes.
- Provision of all our vessels with safety equipment such as face masks, gloves and disinfectants.
- Continuously alerted and educated our on-board personnel on safety and health protocols. We supplied our vessels in a timely manner with the required spare parts, stores and provisions to ensure uninterrupted operation.
- Active on board vaccination program sponsored by the Republic of Cyprus.

Ashore

- Implementation of a “work from home” program for our shore-based personnel.
- Extended the inhouse coaching team building and one to one program by our inhouse coach / psychologist.
- Decreased to the extent possible business travel of our office employees and employed external surveyors to perform on-board attendances to our vessels.
- We carry out PCR/Rapid COVID tests to our office personnel on a weekly basis.
- As of 31/7/2021, vaccination rate amounted to 95% in both Cyprus and Athens offices.



7.8 Donations for COVID-19

As part of our Social Responsibility program and in response to the COVID-19 pandemic, Safe Bulkiers donated in the region of EUR 200k, for rapid antigen tests for the Cyprus National Guard and the Cyprus Ministry of shipping and the provision of food packages to students living in the UK during COVID-19 lockdown periods.

7.9 Safe Bulkiers scholarship program

Investing in human capital lies in the very heart of our principles. In this respect, Safe Bulkiers has launched a scholarship program consisting of five (5) scholarships for naval architecture/shipping law students. Each scholarship awards EUR 10,000 annually that will be renewed every year based on the participants' academic merit and financial status.





SAFE BULKERS TOWARDS 2030

08

8.1 Fleet Renewal and Newbuilding Program

We have launched an extensive fleet renewal program, selling our old and less fuel-efficient vessels and investing in state-of-the-art newbuilding vessels. The orders for newbuild vessels were placed in top quality Japanese Shipyards. These vessels will have hydrodynamically optimized hull forms and will be equipped with energy efficiency devices to meet the requirements of EEDI, Phase 3. Moreover, they will be IMO NOX Tier III compliant, equipped with NOx abatement technologies such as Selective Catalytic Reduction (SCR) or Exhaust Gas Recirculation (EGR).



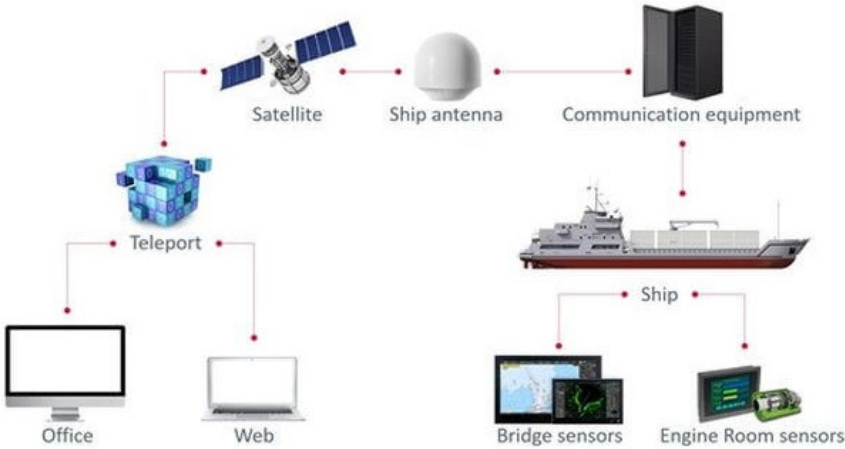
8.2 Upgrading our fleet

Further to our fleet renewal program, we are also assessing potential retrofits that could upgrade our existing fleet in terms of fuel efficiency. To this end, we cooperate with key industry players to carry out assessment studies and decide which technology is best suited to our vessels. Some of the technologies we are evaluating are:

- Alternative fuels and biofuels
- Wind assisted propulsion
- Wake equalizing ducts
- Propeller boss cap fins
- Dynamic biofilm protection
- Ultra-low friction antifouling coatings
- Variable frequency drives in pumps
- Voyage performance optimization

8.3 Digitalization

Our industry is being transformed as we enter the digital era, the so-called "Big Data" era. The information that will be provided can be used for the optimization of vessel's operation. Data such as vessel speed, consumption and other machinery parameters will be reported and closely monitored on a daily basis. Our in-house engineering team will analyse the collected data to diagnose problems and prevent machinery failures that could potentially disrupt our operations. Safe Bulkers recognizes the importance of digitalization in sustainability and takes the step forward by launching a program for the digitalization of its fleet.





REPORTING STANDARDS, LEGAL INFORMATION & CAUTIONARY NOTE

09

Reporting standards

We have adopted 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. In this content the U.N. Sustainable Development Goals and the Sustainability Accounting Standards Board (SASB) have been mapped in order to help stakeholders easily access our key sustainability data.

Legal information

This report concerns Safe Bulkers's activity for the period starting January 1, 2020 to December 31, 2020, unless otherwise indicated, and uses quantitative metrics to describe our policies, programs, practices and performance. Note that many of the standards and metrics used in preparing this report continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees. Financial information is reported in U.S. dollars.

Cautionary note

Safe Bulkers Inc., has affiliates, including Safe Bulkers Management Ltd., and Safety Management Overseas S.A. For convenience and simplicity, those terms (and terms such as corporation, company, our, we and its) are sometimes used as abbreviated references to specific affiliates or affiliate groups. Safe Bulkers Inc., is a publicly traded company. The New York Stock Exchange is the exchange on which Safe Bulkers Inc., common stock (symbol SB) is traded.

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; 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, 2020.

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.

Appendix A: Sustainability Accounting Standards Board (SASB) marine transportation material issues

Category	Limit	Code	Page Reference
GHG Emissions	Global Scope 1 emissions	TR-301-01	46
	Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets and an analysis of performance against those targets	TR-301-02	45, 46, 47, 48, 59, 60
	Total energy consumed, percentage from HFO, percentage from renewables	TR-301-03	45
	Energy Efficiency Design Index for new ships	TR-301-05	59
Air Quality	Air emissions for the following pollutants : NOX, SOX, and particulate matter (PM)	TR-301-04	42, 47
Ecological Impacts	Shipping duration in marine protected areas and areas of protected conservation status	TR-301-06	N/A
	Percentage of fleet implementing ballast water exchange and ballast water treatment	TR-301-07	31, 39
	Number and aggregate volume of spills and releases to the environment	TR-301-08	N/A
Employee health and safety	Lost time injury rate	TR-301-12	N/A
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption percentage Index	TR-301-09	N/A
	Amount of legal and regulatory fines and settlements associated with bribery and corruption	TR-301-10	21
Accident and safety management	Number of serious marine incidents	TR-301-11	34
	Number of condition of class or recommendation	TR-301-13	N/A
	Number of port-state control deficiencies and detentions	TR-301-14	35



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