



EURODRY LTD

ESG REPORT 2022



Message from our CEO

I am pleased to share our 3rd Environmental, Social, and Governance (ESG) report, which highlights our ongoing commitment to ESG and responsible business practices.

At Eurodry Ltd, we believe that ESG practices are not only beneficial for society and the environment but also critical to our long-term success. As such, we have embedded ESG considerations into our business strategy, operations, and decision-making processes.

In this year's report, you will find an overview of our ESG performance, including progress made towards our targets. We have continued to make strides in reducing our carbon footprint, exploring the use of alternative fuels and conserving water and other resources while at the same time safeguarding a safe, fair and flourishing environment for our employees onboard and ashore. We are also proud of our efforts to promote diversity, equity, and inclusion, as well as our strong governance practices and commitment to ethical behavior.

Despite the challenges posed by the COVID-19 pandemic, we have remained steadfast in our ESG commitments, and we are proud of the progress we have made over the past year. However, we recognize that there is still much work to be done, and we remain committed to continuous improvement, transparency and accountability.

Looking ahead, we are excited to set even more ambitious new ESG targets and initiatives that align with our long-term vision and support the UN Sustainable Development Goals. We are confident that by working collaboratively with our stakeholders, we can create a more sustainable and equitable future for all. As such this year we introduce the stakeholders engagement and materiality analysis to our report.

We have also established a dedicated in-house team to monitor data on vessel performance and environmental compliance. Our plan for the future is to renew and expand our fleet with younger and environmentally friendlier vessels. We also aim to expand our already established partnerships within the environmental and digitalization field.

We recognize the urgency and responsibility we all have to contribute to the fight against climate change and we remain committed to do our part to reduce our carbon footprint, GHG emissions and in general create a better , cleaner, safer and more inclusive world for current and future generations.



Aristides J. Pittas
Chief Executive Officer
EuroDry Ltd

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EuroDry Ltd was formed on January 8, 2018 under the laws of the Republic of the Marshall Islands to consolidate the drybulk fleet, including the 3 newbuilding vessels, of Euroseas Ltd into a separate listed public Company. EuroDry was spun-off from Euroseas Ltd on May 30, 2018 and it trades on the NASDAQ Stock Market under the ticker EDRY.

EuroDry Ltd is a global shipping Company providing worldwide seaborne transportation solutions in the drybulk section and employs its vessels on spot and period charters.

During the reported period 1/1/22 – 31/12/22, the Company owned a fleet of 11 vessels, including 6 Panamax, 2 Kamsarmax, 1 Supramax and 2 Ultramax. These 11 bulk carriers have a total DWT of 802,995 and an average age of 13.3 years. During that period 1 vessel was sold and 2 were bought. At the end of 2022 the company owned 10 vessels.



- 2x Kamsarmax: Avg. Age: 5 years, Carrying Capacity: 164.000 DWT
- 6x Panamax: Avg. Age: 19.2 years , Carrying Capacity: 454.575DWT
- 2x Ultramax: Avg. Age 6.5 years, Carrying Capacity 126.496 DWT
- 1x Supramax: 8 years , carrying capacity 57.924 DWT

EuroDrys' operations are managed by Eurobulk Ltd., an ISO 9001:2015 (Quality Management) and ISO 14001:2015 (Environmental Management) certified ship management Company and Eurobulk (Far East) Ltd. Inc., which are both responsible for the commercial and technical management of the vessels. Eurobulk Ltd and Eurobulk (Far East) Ltd. Inc. ensure that the vessels are running in accordance with EuroDrys' standards; as per its established policies and adhere to the requirements of the International Safety Management (ISM) Code for the Safe Operation of Ships and for Pollution Prevention.

Eurobulk Ltd and Eurobulk (Far East) Ltd. Inc. include all our executives and have infrastructure and personnel dedicated to the management and operation of our ships, as well as the promotion and development of our commercial interests. Consequently, wherever appropriate, Eurobulk Ltd and Eurobulk (Far East) Ltd. Inc, have been included in the scope of this report.*

*For the purpose of this report we will analyze the data collected by our management Companies which in some cases may include data from vessels not only under the ownership of EuroDry.

ESG at EuroDry Ltd

The Company’s vision is to grow for the benefit of its shareholders whilst at the same time committing to sustainable growth, digital innovation and protection of the environment in line with the industry and always in compliance with the international regulations in place and even exceeding them where possible.

EuroDrys’ business strategy is focused on providing consistent shareholder returns by carefully selecting the timing and the structure of its investments in bulk carriers vessels and by reliably, safely and competitively operating the vessels owned, through its affiliates, Eurobulk Ltd and Eurobulk (Far East) Ltd. Inc.



Representing a continuous ship owning and management history that dates back to the 19th century, EuroDry believes that one of its competitive advantages is its ability to select and operate safely and economically vessels of any age. EuroDry continuously evaluates sale-and-purchase opportunities, as well as long term employment opportunities for its vessels. EuroDry plans to expand its fleet to increase its revenues and make its drybulk fleet more cost efficient, environmentally friendly and attractive to its customers.

The Company’s aim is to implement an ESG strategy aligned with the IMO’s Green House Gas (GHG) emission reduction targets and the UN’s Sustainability Development Goals (UN SDG’s). We are looking forward to the SDGs’ full achievement ensuring that as active supporters we promote an inclusive , diverse, healthy and safe working environment (both onboard our ships and ashore) and building a responsive, profitable and sustainable business which is governed with consistency, transparency and accountability.

This report covers EuroDrys’ operations from 01.01.2022– 31.12.2022 and is based on the Sustainability Accounting Standards Board (SASB) standards. Additional criteria have been considered as well, such as the Global Reporting Initiative (GRI), the NASDAQ ESG reporting guidelines and UN’ SDGs, in compiling the report content.



Source: UN site

Integrating sustainability across all functions of our business

ESG Priorities

Empowering People

- Adopt a diverse and inclusive workplace that creates equal opportunities for everyone while ensuring human rights protection.

Protecting the Environment

- Reduce the impact of our operations to the environment and implement a robust de-carbonization strategy.

Ensuring Health and Safety

- Comply with highest safety standards and regulations to eliminate risk of hazards.

Promoting good Governance

- Commit from the top and integrate ESG into the Company's decision-making process.

ESG Governance

- The newly established ESG department is responsible for providing guidance and supporting the development of the Company's ESG strategy, for evaluating and recommending ESG initiatives and practices, and for ensuring that the Company promotes and integrates environmental, social and governance matters into its strategy and core business operations and stays abreast of risks and opportunities for ESG and climate change related matters.
- Leadership of ESG issues starts with our Top Management and flows across all employees and operations. Our Senior Management has the overall responsibility to oversee ESG matters and monitor the Company's performance against its commitments.

ESG Commitments

Environmental commitments:

- Implement the de-carbonization strategy in place and develop a climate transition plan in the following years, to meet industry aspirations for de-carbonization of international shipping.
- Upgrade energy efficiency technologies on board and apply operational improvement measures.
- Upgrade our fleet with more ECO friendly vessels.

Social commitments:

- Minimize the risk of hazards and eliminate workplace accidents.
- Promote inclusion and diversity.
- Enhance employees' well-being and continuous development.

Governance commitments:

- Commit to a zero-tolerance approach when it comes to bribery, corruption and any form of harassment or discrimination.
- Maintain and enhance transparency through annual ESG reporting in ESG rating indexes.



Our goals



Our sustainability focus in 2022 cover all three areas of ESG

MINIMIZING OUR ENVIRONMENTAL IMPACT

- Timely preparation for GHG emissions reduction regulations
- Commitment to transparent reporting of fleet emissions
- Utilize advanced vessel performance systems
- Implement technical and operational measures to improve fleet energy efficiency
- ISO 14001 certified for environmental management
- Utilize company wide performance management processes
- Provide continuous professional development opportunities of employees
- Active involvement in the Community

PROMOTING SAFETY, DIVERSITY, AND EQUITY IN OUR WORKPLACE

- Zero tolerance for human rights violations
- Foster a diverse and inclusive working environment
- Maintain high retention rates for employees both on board and ashore
- Implement programs to enhance the well-being of our workforce
- Prioritize safety and compliance with regulations, PSC and other authorities

CONDUCTING OUR OPERATIONS WITH EFFICIENCY, INTEGRITY, AND TRANSPARENCY

- Strong and independent Board of Directors in place
- Experienced management team with solid track record
- Consistently issue an ESG Report for the third consecutive year
- Implement robust internal controls to manage risks
- Continuous monitor and transparently report on ESG Key Performance Indicators (KPI's)

Key figures*

Number of seaboard
Personnel

407**

Number of operating
days

3,598¹

Deadweight
tonnage(weighted)/
Average

**755,498 /
72,995 DWT**

Average vessels in fleet
10,4

Number of port calls

228

Total distance travelled
by vessels (nm)

557,066

Twenty-foot equivalent
unit capacity/Average

N/A

*These figures are based on a total number of 11 vessels operated throughout the period from 1 January to 31 December 2022. During that period 1 vessel was sold on September and other 2 were bought on January and April. Figures for DWT represent the fleet as of 31 December 2022.

**Total pool of seafarers is approx. 1,500

¹ Operating days are calculated as the number of available days in a reporting period minus the aggregate number of days that the vessels are off-hire due to unforeseen circumstances (i.e., a measure of days in a reporting period during which vessels actually generate revenue).



1 CORPORATE GOVERNANCE

Our Board of Directors

- The Board of Directors (BoD) of EuroDry Ltd is committed to its fiduciary responsibility to represent shareholder interests and oversee the management of Eurobulk's and Eurobulk's FE business setting high standards for the Company's directors, officers, and employees.
- The corporate governance standards of the New York Stock Exchange (NASDAQ) are different for United States domestic issuers and foreign private issuers. While a number of the NASDAQ corporate governance standards for United States domestic issuers do not apply to EuroDry Ltd as a foreign private issuer, the Company still meets most of these this optional higher standard.
- The procedures and standards adopted by the Board of Directors to fulfill its responsibilities are recorded in the charters of the Board Committees, our policies and in various guideline documents, all of which are available in the Corporate Governance section of the Company's website.
- The Board of Directors has established an Audit Committee which is summarized below and decided to act as a whole on matters of Compensation and Nomination:
- Our Audit Committee consists of 3 independent directors and is responsible for representing and assisting the Company's BoD in its general oversight of the Company's accounting and financial reporting processes, audits of the financial statements, and internal control and audit functions. More specifically the audit committee is responsible for (a) the preparation, presentation and integrity of the Company's financial statements; (b) accounting and financial reporting principles; (c) the Company's internal controls and procedures designed to promote compliance with accounting standards and applicable laws and regulations; and (d) the performance evaluation of the Company's independent auditors and internal audit function. Another significant role of the Audit Committee is to identify and monitor financial business risks as well as ensure that we fully meet all the disclosure requirements of regulatory authorities.

**The Company promotes transparency and accountability and is committed to conduct business ethically.
We stand by our code of ethics & anti-bribery, our anti-fraud policy and our whistleblower policy.**

An ethical workplace

We have adopted and communicated our code of ethics & anti-bribery policy to our employees, directors, officers and agents. The code covers the following key topics:

- Conflicts of Interest
- Corporate Opportunities
- Related Party Transactions
- Confidentiality and Privacy
- Honest and Fair Dealing
- Protection and Proper Use of Company Assets

- Compliance with Laws, Rules and Regulation
- Securities Trading
- Disclosure
- Procedures Regarding Waivers
- Internal Reporting and Whistleblower policy

BoD Members and Executives structure

Our Board of Directors and executive officers , as of the end of 2022, were the following:

BoD composition	Role	Committees
Aristides J. Pittas	Chairman	
Aristides P. Pittas	Vice Chairman	
Anastasios Aslidis	Director	
Panagiotis Kyriakopoulos	Director	Audit committee Chairman
Apostolos Tamvakakis	Director	Audit committee
George Taniskidis	Director	Audit committee

Executive Officers	Capacity
Aristides J. Pittas	Chief Executive Officer
Anastasios Aslidis	Chief Financial Officer & Treasurer
Symeon Parios	Chief Administrative Officer
Stephania Karmiri	Secretary


Code of ethics

- All of our employees are required to follow our code of ethics & anti-bribery policy and, in case of any suspected violations, they may report to the Chairman of the Audit Committee openly, confidentially, or anonymously – as per our internal reporting and Whistleblower policy.
- During FY2022, no bribery, fraud, or other whistleblowing incidents were recorded; neither were any violations of our ethical principles or anti-corruption policy.
- We recognize that exposure to corruption risks may vary by the ship's trading areas. In 2022, **no port of calls** were in countries in the 20 lowest rankings of Transparency International's Corruption Perception Index (CPI).

Internal controls

- In order to ensure robust governance practices, disciplined business processes, and high levels of transparency and disclosure, we have developed a rigorous and effective internal control environment. The Company's independent auditing firm is responsible for performing an audit of the consolidated financial statements in accordance with generally accepted auditing standards.
- We have also a dedicated Internal Audit team responsible for monitoring and testing our internal procedures to ensure that risk management practices, controls, and overall governance processes are adhered to.
- The Audit Team is tasked with continuously improving our control environment, and to ensuring that the quality of our internal controls on financial reporting meets and exceeds compliance requirements under Sarbanes-Oxley (SOX).
- The Internal Audit team reports to the Audit Committee, making recommendations and/or suggesting corrective actions that will assist in accomplishing our business objectives.
- During 2022, a total of **208 internal controls** were tested. **No** material weaknesses or deficiencies were identified.

Risk management:
The key risks associated with
our business are grouped
into the following 5
categories:



External Environment

External Environment risks, arise when there are external factors or influences that could impact our business operations.

Operations

Operations risk, is the risk that our operations are inefficient and/or ineffective in executing our business strategy and/or subject to human error and meeting our customers' needs.

Financial

The risk that cash flows and financial risks are not managed cost-effectively such as to maximize cash availability, etc.

Information Technology

The risk that information technologies used by the Company are not operating as intended, or are compromising the integrity and reliability of data and information, etc.

Fraud

Risks associated with management fraud, employee fraud, illegal and/or unauthorized acts, any or all of which could lead to legal action against us and/or to reputational damage in the market.

Stakeholders engagement

Our stakeholders represent a diverse range of organizations and individuals. We prioritize stakeholder engagement. Their insight informs our decision-making process and ensures the relevance of our overall business strategy to their expectations and concerns and needs.

Customers

- Vessel owners
- Charterers
- Cargo owners

Suppliers

- Manufacturers
- Shipyard
- Brokers
- General suppliers
- Port agents

Financial Institutions

- Banks
- Leasing financial institutions
- Underwriters
- Insurance companies

Seafarers and office employees

- Crew on board
- Office employees
- Manning agent

Shareholders / Investors

- Natural persons
- Institutional shareholders
- Funds / Private Equities

Industry organizations

- Classification societies
- Recognized organizations
- P&I clubs
- Insurers
- Vetting companies

Authorities

- Governments
- International Maritime Organization (IMO)
- Flag administration
- Port authorities / coast guards

Community and Society

- Academic institutions
- Local communities
- NGOs
- Media

Stakeholders engagement questionnaire

This year we conducted the first stakeholders engagement assessment to identify environmental, social and governance matters, and to ensure that our operations and overall business strategy aligns with the issues that matter to our stakeholders.

Material ESG issues

Material topics refer to the topics that are of high importance to the business and high importance to stakeholders.



Our process

1. Issue identification

- Review issues raised by the leading sustainability standards and initiatives as well as industry – SDGs, SASB, etc.
- Explore business and industry landscape on sustainability.
- Introduce our Company specific issues.
- Group the pool of potentially material sustainability issues into focus areas:

2. Assessment and prioritization

- Assess and prioritize the issues by considering their effects on the business, associated risks and opportunities, and the level of control we have over them..
- Evaluate and rank the issue from the perspective of different stakeholders.
- Obtain input from key stakeholder groups on what they perceive to be the most important issues in relation to our performance through our internal channels
- Use the input to evaluate and inform our prioritization.

3. Validation and alignment

- Review the assessment results and validate that they are aligned with objectives reflecting Eurodry' sustainability/ESG viewpoint.
- Produce the “Materiality matrix”, focus efforts and allocate resources accordingly.



ESG topics for Eurodry and its stakeholders

- Business Conduct, Ethics and compliance
- Company Financial Performance
- Attracting, Developing, Rewarding and retaining employees
- Social Impact
- Climate Change and the Environment
- Trust and Transparency
- Customer satisfaction
- Ensuring high quality services and support in a cost-effective manner
- Sustainable Growth
- Respecting Human rights
- Remuneration and benefits
- Environmental Protection
- Research and innovation in green technologies alternative fuels
- Waste management and recycling
- Energy consumption, monitoring and efficiency
- Regulatory compliance and application
- Partnerships for advancing sustainability
- Diversity , inclusion and belonging
- Gender equality/reducing gender inequalities
- Employee engagement
- Work/ life balance
- Career development and growth
- Affordable quality education/training for all
- Volunteer donating
- Occupational health, safety and security onboard and ashore
- GHG emissions reduction and energy efficiency
- Impact of environmental regulations on fleet profile
- Water pollution prevention, control and compliance with respective regulations
- Vessel's recycling

Our 2022 materiality matrix highlights the Company's core strategic issues

Our first Stakeholder Questionnaire included 30 topics. Based on the results of the analysis, 13 material topics were identified as material, 11 as important and 6 as relevant to us and to our stakeholders.

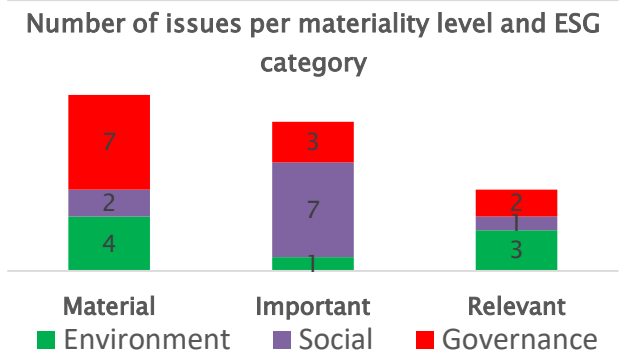
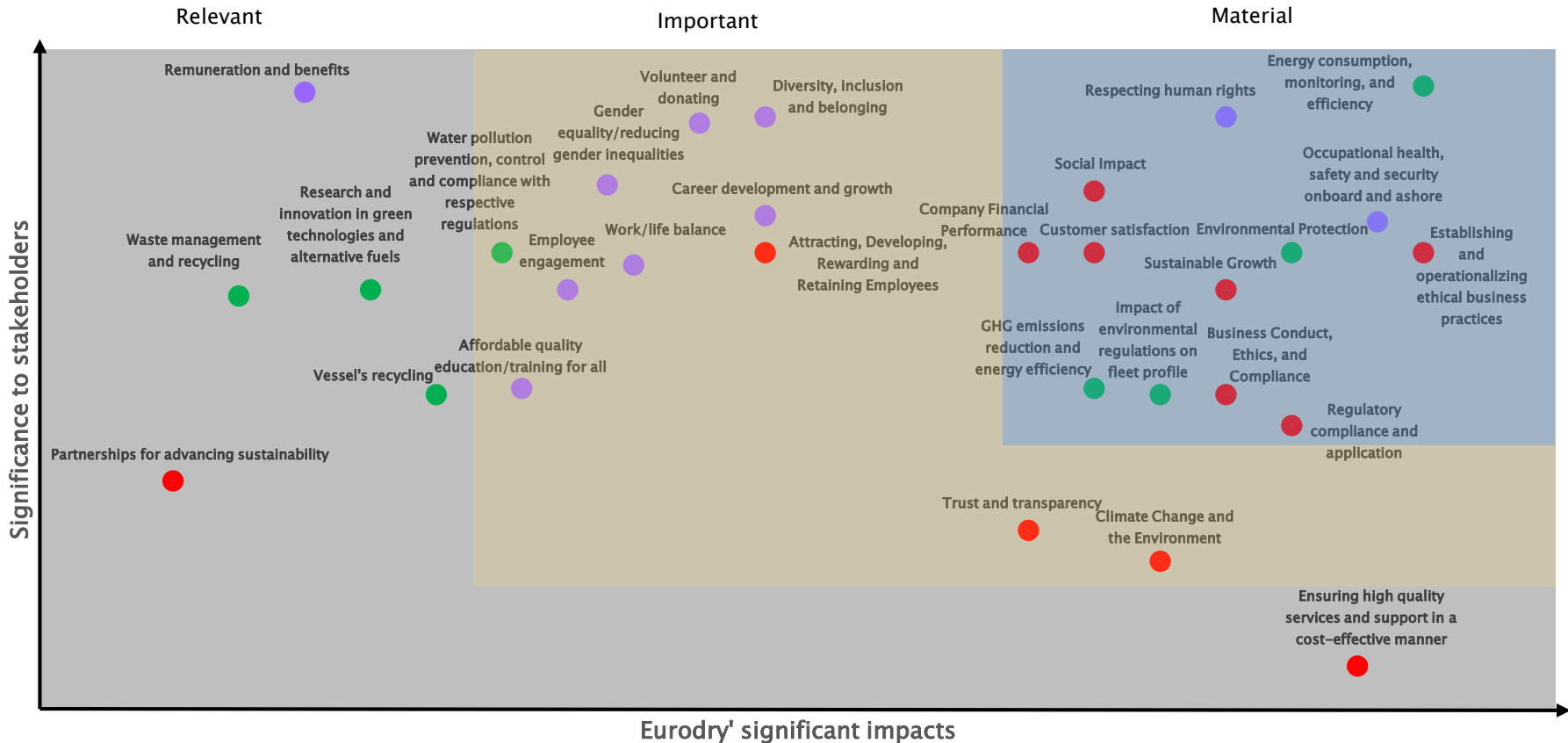
The following topics in the Stakeholder Questionnaire were identified as the top material ones: (1) Energy consumption, monitoring and efficiency, (2) Remuneration and benefits, (3) Respecting human rights and (4) Diversity, inclusion and belonging.

For Eurodry Ltd, the most material topics were the following: (1)Energy consumption, monitoring and efficiency, (2) Establishing and operationalizing ethical business practices, (3) Occupational health, safety and security onboard and ashore and (4) Ensuring high quality services and support in a cost-effective manner.

The results showed that the most important ESG-related topics to us and our stakeholders is establishing is energy consumption, monitoring and efficiency.

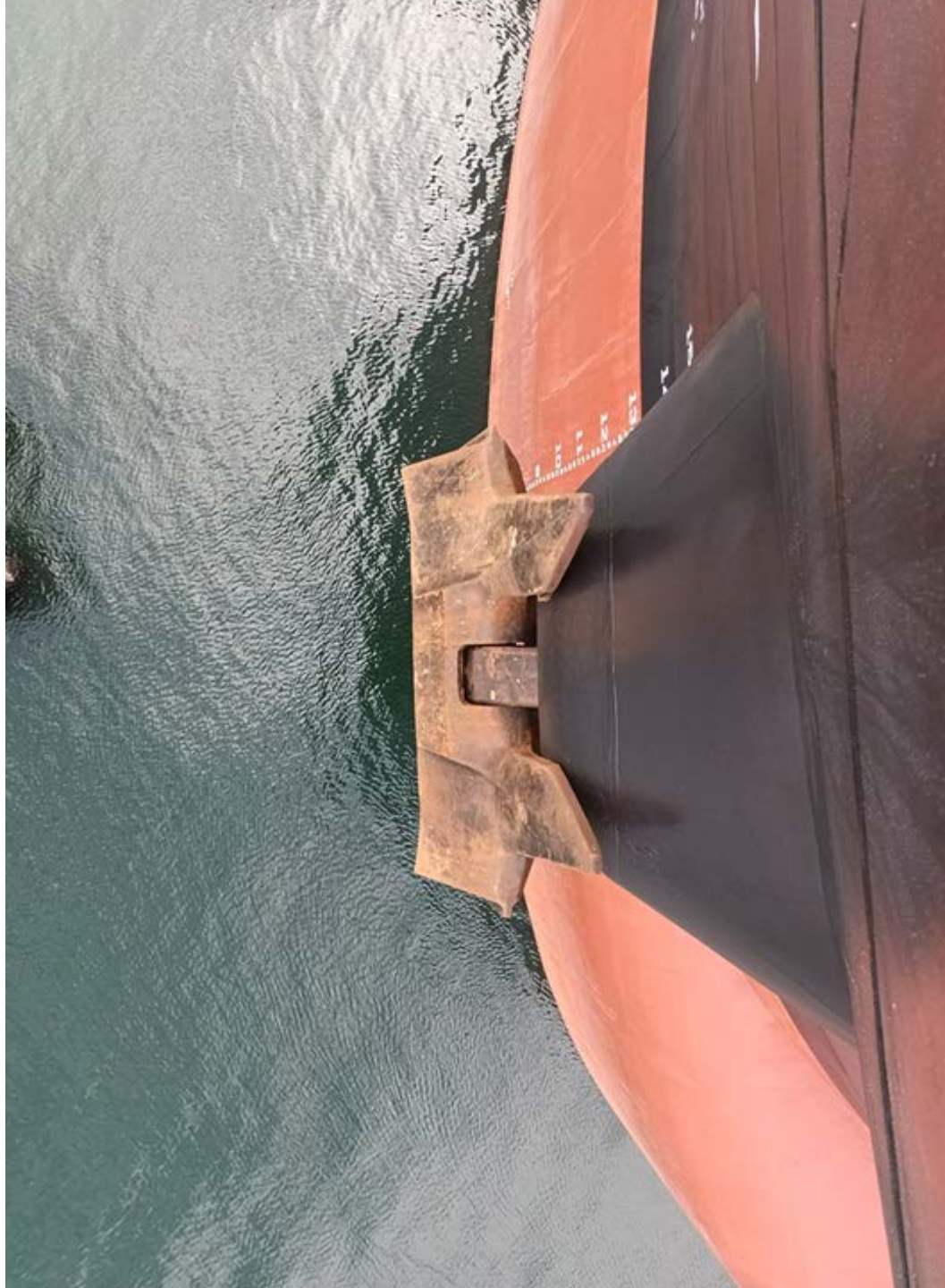


Materiality Matrix



2

OPERATIONAL EXCELLENCE



Operational excellence

We consider Health and Safety to be an essential value and safeguarding it is our top priority. Alongside our commitment to protect the environment in our daily operations, we are focused on maintaining and promoting a safe, respectful and healthy workplace for all employees. We are certified with the ISO 9001:2015 standards and constantly improve our operational practices.



Safety at work is a basic human right, and working conditions affect our employees directly and their families and the communities in which they live in, indirectly. We care for our people and we aim to meet and exceed compliance requirements in order to provide a safe working environment for all personnel both ashore and onboard our vessels. Our operations promote safety and aim to protect human health, the environment, and property.



To achieve this, we:

- Comply with all applicable laws and regulations, and apply responsible standards of best practice where laws and regulations do not exist.
- Identify and mitigate risks that potentially affect employees, contractors, or the public.
- Share industry insights about health and hygiene risks with our employees.
- Seek medical services for the treatment of employee occupational illnesses or injuries and for the handling of medical emergencies.
- Implement programs, trainings and appropriate protective measures to control risks.
- Support voluntary health and hygiene promotion campaigns aimed at improving employees' well-being and increasing personal safety.

Our company participates in various associations and Technical or Executive Committees such as:

- DNV's Greek National and Technical Committee
- Lloyd's Hellenic Technical Committee
- NKK Greek Technical Committee
- RINA Greek Advisory and Technical Committee
- Verifuel Greek Technical Committee
- Lloyd's Gas as Fuel Working Group
- DNV Bulk Carrier Working Group
- Lloyd's Bulk Carrier Working Group
- MARTECMA
- Intercargo technical and executive committee
- Union of Greek Ship-owners
- BIMCO


The Company's CEO is also Chartered Engineer in the Hellenic Technical Chamber and a member of the Institute of Marine Engineers (UK).

He is also the President of the Athens College Alumni Association and member of the Hellenic Association Education Foundation.


Additionally, he is a member of the HELMEPA BoD and is currently the Association's treasurer.

Operational excellence


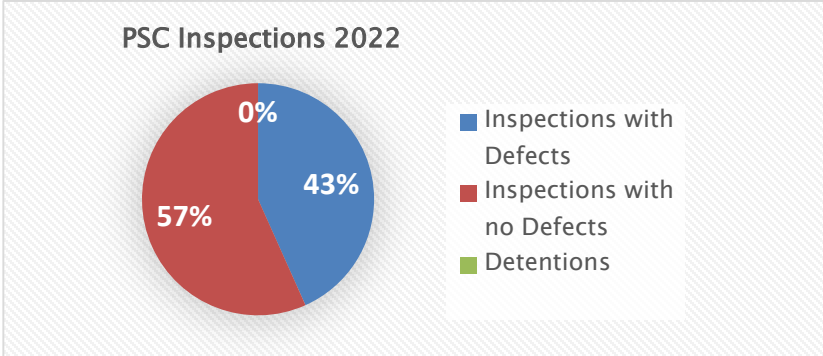
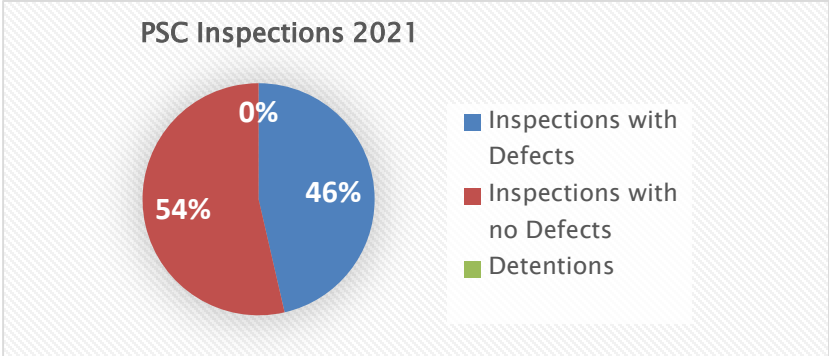
Type	Description	Total/Average per vessel 2020	Total/Average per vessel 2021	Total/Average per vessel 2022
Internal figures	Onboard drills	616/88	726/81	840/81
	Near misses	187/27	189/ 23.9	200/18.2
	Internal audits	10/1.4	12/1.3	19/1.8
Port State Control (PSC)	Detentions	0	0	0
	Inspections	16/2.3	28/3.1	30/2.9
	Inspections with no defects	4/0.6	15/1.6	17/1.6
	Deficiencies	19/2.7* from which 3 MARPOL and 16 other categories	13/1.6* from which 1 MARPOL and 12 other categories	31/2.9 from which 2 MARPOL and 29 other categories
Classification Society	Conditions of Class	9/1.3	5/0.5	30/2.8



In June 2022, our affiliated management Company has been awarded a commendation letter from the Liberian Flag for the vessels' excellent performance in the past two years and the Company's commitment to safety aboard the vessels.



For 2022, the USCG granted the AMVER award to 4 Company's vessels. Our Company's m/v "Ekaterini" has received the QUALSHIP21 award for the period 2019-22, m/v "Alexandros P. for the period 2022-2023, m/v Good Heart for the period 2022-2025 and m/v "Xenia" for the period 2021-2024.

*corrected from normalized to average

Our response to the COVID-19 pandemic

Health and Safety of our people has been our top concern during the COVID19 outbreak. The rapid spread of Coronavirus has had a major impact in the shipping industry. In order to address this critical threat, we designed effective response strategies and procedures, that helped us continue our worldwide operations uninterrupted, while also ensuring the safety of our employees. As part of our COVID-19 response we:

- Developed and implemented on board all our vessels a Covid-19 management manual and continuously alerted and educated our crew on board on safety and health procedures by updating them on a weekly basis on COVID19 facts.
- Provided in a timely manner supplies of safety equipment and disinfectants to all ships and offices.
- Introduced a remote work program for our shore employees and implemented COVID-19 prevention policies within our office as per the guidance of the World Health Organization and National authorities.
- Suspended most business travelling of our employees.
- Crew changes were arranged following the enhanced health and safety procedures and measures
- Supplied our vessels in a timely way with the necessary provisions, stores and spares in order not to disrupt their operations.
- Employed local surveyors to perform external vessel audits and introduced processes and systems to carry out internal audits remotely.
- Promoted remote training to ensure continuous education
- Promoted vaccination campaigns and arranged it where possible. As a result all our crew onboard and ashore have been vaccinated

3 GOOD HEALTH
AND WELL-BEING



A safe environment aboard our ships is of paramount importance for us. Our goal is to manage and eliminate safety risks associated with our activities, and protect the safety of our employees and others involved in our operations, by preventing accidents, injuries, and occupational illnesses.

In order to achieve these goals, and increase safety awareness among all our employees and through our operations, we:

- Comply with all applicable laws and regulations, and apply responsible standards where laws and regulations do not exist.
- Encourage ongoing training to employees throughout the organization.
- Evaluate our safety risks and establish appropriate safety measures.
- React promptly, effectively, and with attention to emergencies or accidents resulting from our operations.
- Continuously review and assess our procedures and apply additional measures where deemed necessary.

We invest in our people, policies, and equipment as we try to protect both our people and the environment in an effort to meet our significant goal of **zero** incidents and spills .

Our older vessels are regularly audited by **Rightship** ensuring compliance with latest regulations, evidencing our commitment to safety and to high standard services. During the reporting period, we recorded **1 fatality** due to COVID19 and **1** related to **minor crew injury**.

RIGHTSHIP

We aim to further strengthen our safety policies and increase the safety awareness of our employees through training, seminars, campaigns, and team activities in our effortsto minimize safety risks.

Cyber security

We are concerned of the latest technological advancements' side effects of greater exposure to cyber attacks. In an effort to protect the Company's information and computer systems from possible threats, the Company has developed a cyber security manual and relevant procedures that include protection measures and users' guidelines. In addition, all our vessels are equipped with the latest anti-virus programs and most of our vessels are also installed with a cyber security software (deep instinct). Our plan is to complete the installation in our entire fleet during the next years.

General Data Protection Regulation (GDPR)

The EU GDPR came into force in 2018 and provides the required guidelines for the proper collection, storage, use and process of the individual's personal data within the EU, in an effort to protect the individual's rights and personal data. In this respect we have carried out the required gap analysis and managed to implement the necessary procedures to safeguard the personal data as required by the regulation.



3

ENVIRONMENT

Environmental Management System

Climate change poses a global threat to our society, economy and planet. We recognize the urgency and our responsibility to act and support the transition towards a zero emission world. We are committed to protecting our environment and this commitment is reflected in our Environmental Protection, Safety and Quality Policy. We seek to minimize the impacts of our operations on both air quality and the marine environment. To support our policy, we have an environmental management system in place, incorporated in our HSEQ manual, to define our objectives, action plans, strategic ambition, and the corresponding deadlines for our work to reduce potential negative impacts.

EuroDry Ltd through Eurobulk Ltd has been an active member of the Hellenic Marine Environmental protection association (HELMEPA) since 2012 and has registered its vessels in order to support the environmental efforts made by the association and be part of a community which provides training and other benefits for our crew members and our shore based employees.

Our affiliated management Company, Eurobulk Ltd is certified with the ISO 14001:2015 which sets the international environmental standard. This certificate is annually verified by Bureau Veritas.

In an effort to reduce our environmental footprint, the company has changed all lamps at the premises to LED and has introduced an automated lighting system.



The Company experienced no oil spills during 2022.

Ecological impact and regulations

EuroDry Ltd is sparing no efforts to mitigate its footprint on environmental change. In this regard the following Company's responses to the various issues are summarized below:

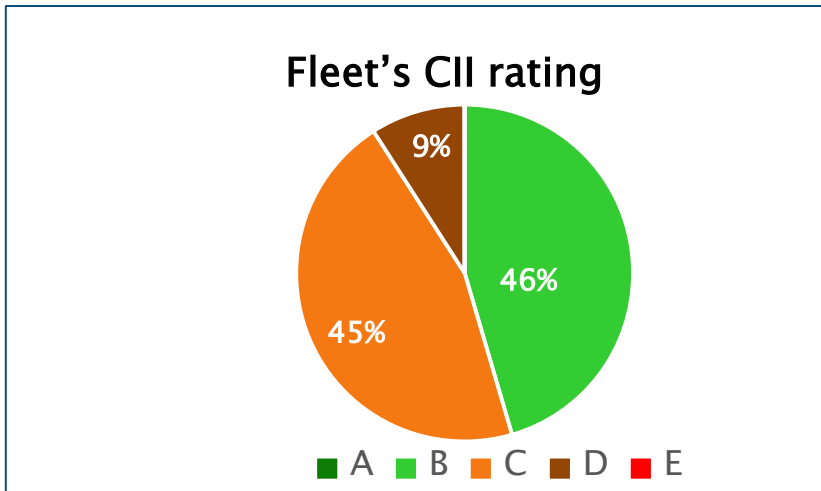
Regulation	Objective	EuroDry response
Ballast Water Management (BWM)	Sets standards for proper management of ballast water and sediments to prevent the spread of harmful marine species. Entry into force Sept 8 th ,2017.	We implement the requirements and keep valid BWM plans onboard and update BW record books . By the end of December 2022, all of our vessels have Ballast Water Treatment Plants (BWTP) installed on-board.
IMO DCS (Data Collection System)	Mandates the collection of fuel consumption data for ships of 5000 gt or larger as part of the SEEMP. Entry into force March 1 st ,2018 for data collection Jan 1 st 2019.	All the vessels have valid SEEMPs onboard and periodically calculate the EEOI. The Company is in compliance with the regulation and monitors the vessels' performance and emissions through a pre-verifier and finally a verifier.
EU MRV (Monitoring, Reporting and Verification)	A regulation requiring the monitoring, reporting and verification of carbon dioxide emissions from ships of more than 5000 GRT operating in EU ports, aiming to minimize it. Entry into force July 1 st ,2015.	The Company is in compliance with the regulation and constantly monitors the vessels' performance and emissions through the pre-verifier and finally the verifier.
IMO strategy on reduction of GHG emissions from ships	Targets the reduction in total GHG emissions from international shipping by at least 50% by 2050 compared to 2008 . Entry into force : October 2018	We are committed to meet the IMOs' 2030, 2040 and 2050 targets and hopefully beyond by working along with industry peers and stakeholders.
MARPOL annex VI	A regulation intended to reduce the amount of sulfur oxide emissions from ships—either by adopting alternate fuels or installing EGC systems (scrubbers) or by using fuel oil with a sulfur content of no more than 0.50% m/m . Entry to force Jan 1 st ,2020	We have switched all our fleet to high quality , low-sulfur fuels to meet the sulfur emissions limits. Additionally, vessels have already onboard the SEEMP part III in order to comply with the amendments to the MARPOL annex VI which will enter into force on January 2023 and have already started calculating the carbon intensity indicator (CII) of each vessel as well.
Inventory of Hazardous Materials (IHM)	A regulation to control hazardous materials onboard ships for the safe and environmentally sound recycling of ships . Any ship which is 500gt or over regardless of Flag will require a valid and certified IHM onboard if calling at an EU port or anchorage. Entry into force December 31 st ,2020	All vessels have received the IHM certification.



Ecological impact and regulations

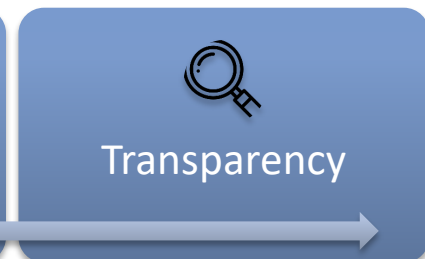
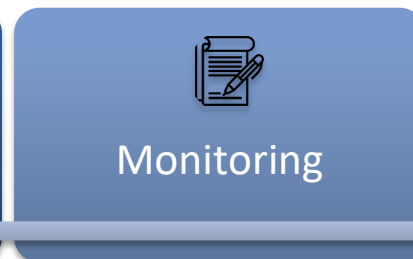
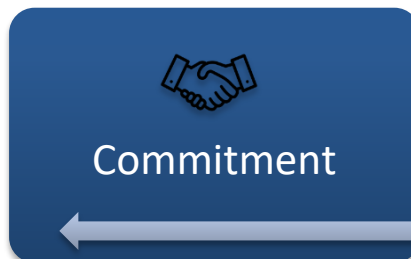
The Company's carrying capacity (in DWT tons) was increased by 27.8% in 2022 due to fleet expansion. In addition, the company's cargo transportation work (measured in cargo miles) increased by 13.9 % as compared to 2021. Consequently, there was a 10.8% increase in CO₂ emissions. Overall though, through our various initiatives there was a 8.4 % reduction in carbon intensity.

Eurodry Ltd is aiming to prepare its vessels and the Company ahead of time for the regulations that are gradually coming into force. In this regard, we have had proactively started a cooperation with a consulting Company to calculate the EEXI and CII values for our vessels based on the guidelines set by the IMO that were adopted in June 2021 (MEPC 76). The CII results for most of our vessels are below the acceptable required limits (B graded). We have also prepared the new SEEMP part III for our vessels. Further to the above, we have calculated that the majority of our vessels have a C or better CII rating.



Fleet Average CII values

4.203 grCO ₂ /dwt*nm	Attained CII (Weighted)
4.380 grCO ₂ /dwt*nm	Required CII (Weighted)
4.650 grCO ₂ /dwt*nm	Upper C Limit for CII (Weighted)



Environmental change

In an effort to accurately monitor the fleets' performance and air emissions, we have introduced performance software modules and a specialized team to report and evaluate the effectiveness of such. In addition, **82 %** of the fleet is equipped with digital mass flow meters and we have already completed the installation of telemetric equipment for high frequency data collection on **6** of our vessels. We are planning to complete the installation on all fleet by 2023, aiming to better monitoring the fleets' fuel consumption and to grow our digitalization front to improve vessel's overall environmental performance.

We aim to work with reliable and well-qualified suppliers. We are in the process of establishing standard procedures to ensure that our suppliers comply with the International Hazardous Material (IHM) resolutions (which include specifications on chemicals, hazardous materials etc.) and that the materials supplied are in compliance with IMO Resolution MEPC.269(68) and are supported by a Material Declaration Form.

Our fleet of ships operates globally, which means that keeping them properly supplied presents challenges of logistic nature. In order to reduce both our costs and our environmental footprint, we focus on combining supply shipments as much as possible. During the reporting period, **90 %** of supply shipments (from a total of **1287**) were consolidated mostly on a 3-month basis).

Supporting the UN SDGs targets

The Company is involved in new building projects and through Euroseas Ltd, on 2018 inherited 3 new eco building vessels with total capacity 227.500 DWT. Subject vessels are fitted with Propeller Boss Cap Fins which aim to recover the lost rotational energy, reduce the cavitation and provide efficiency gains up to 7% (while 3-5% appear to be more common). These 3 vessels are also equipped with Waste Heat Recovery system which is designed to recover exhaust gases thermal energy from auxiliary engines, thus producing additional steam in port and at sea to meet ship's energy needs and reduce GHG emissions.

The aim is to modernize our fleet with new vessels and newer technologies which will lead to more energy efficient vessels and an environmentally friendlier footprint to the industry.

Our priority is to minimize CO₂ emissions through our fleet. By renewing our fleet we are confident that we will reach our goal and support the SDG 13 of the 2030 UN targets and the IMO's Green House Gas strategy for reduction in carbon intensity of international shipping by measures to promote awareness within the company and all employees. The Company periodically holds environmental campaigns onboard its vessels and ashore in order to raise awareness and thus promote an environmental culture and an energy-efficiency focus both onshore and at sea.

The Company sets annual targets, which are monitored on a semi annual basis and include the improvement of environmental performance, energy efficiency, minimization of GHG emissions, discharge and waste and embeds best practices for operational management.



4 SOCIAL

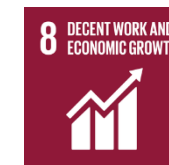


Our Crew onboard

The quality and commitment of our seafarers are fundamental to the success of our business. Consequently, we consider the safety and development of our crew essential to our operations.

Our Company prioritizes the fair treatment of our employees, providing equal opportunities, assuring a safe working environment and practicing non-discrimination. We have policies in place that ensure that we have no tolerance on these sensible subjects while doing our outmost to ensure compliance. These include the Anti-bullying and anti-harassment policy, our occupational health and safety policy as well as the training and development policy.

During 2022, we employed 407 seafarers onboard our ships, drawn from a pool of 1,500* professionals.



We communicate regularly with our seafaring personnel, gathering information regarding any concerns or expectations they might have, and providing training opportunities to enhance their capabilities and provide opportunities for career development. We remunerate our crew fairly, and in accordance with their expertise, experience, and the responsibilities of their respective positions.

In order to increase motivation, social inclusion, and improve crew retention we offer additional recreational and wellness opportunities such as gym, pool, karaoke and team activities. We also plan on increasing the recreational internet access onboard.

The average age of our seafarers is **35 years old***, with the majority being **Filipinos**. Other nationalities employed include Ukrainian, Romanian and Greek.

- Our aim is to ensure attractive working conditions for all our employees. Our crew **retention rate was 86,4 %**, and our goal is to increase this rate over time. The average service time onboard was **9 months**. This was increased due to the COVID19 restrictions.
- Seaman wages are above ILO (International Labour Organization) levels and all vessels are Maritime Labour Convention Certified.
- We also try to acknowledge hard work at an individual level, promoting seafarers accordingly – **33 promotions*** (average 3 per vessel) were carried out within the reported period of all nationalities both officers and ratings.

** Data was collected from our manning agencies which include vessels not owned by Eurodry Ltd.*

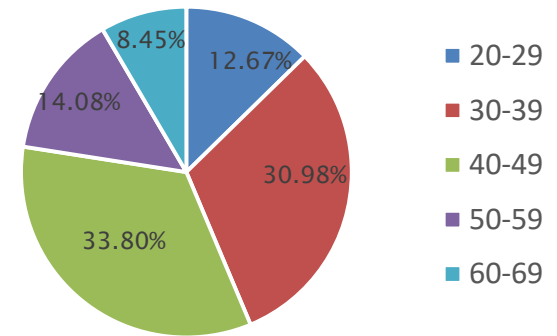
Our shore-based staff*

Our shore-based staff has significant experience and expertise in the shipping industry in general, and in bulk carriers owning in particular. The value and commitment of our personnel is critical to the employment and smooth operation of our fleet. The high employee retention rate is an important indicator of employees' satisfaction which is evident by the employees' **average time in the Company which is 10.91 years and is almost steady through the years.**

We aim to promote a work environment encouraging commitment among our staff – with practices cultivating mutual respect, equal opportunities, diversity, empowerment, career-advancement, and fundamental human rights. For the reported period:

- We employed 75 shore-based staff, 100% of whom under full-time contracts
- 43% of all our employees were women; 3 of which are heads of a departments.
- One woman (25%) is included in the Executives Officers of Eurodry
- The total number of new hires was 9 and we offered 5 internships
- The average retention rate was 93,5 %,with 5.3 employees turnover.
- The company appointed an ESG manager to oversee the company's ESG initiatives and reporting as part of the ESG & Compliance Department and a Compliance Manager to oversee the compliance of the Environmental Regulations onboard our vessels.
- We hired a doctor to provide medical services for its employees and a safety technician for the company's building.

Age group of shore based staff



Gender of shore staff



We invest in our people, and we have significantly increased employees' training sessions aiming to support the continuous improvement of their skills and promote further education.



1,047 hours of training were provided to our employees in 2022 (average per employee of 14 hrs), with the following goals:

- ✓ To develop the practical and personal skills of our employees,
- ✓ To inform and educate our employees regarding the latest developments in regulations and industry practices and,
- ✓ To raise the environmental awareness of our employees, with a focus on energy efficiency and the growing regulatory environment.

* Data was collected from our affiliated management Company which include vessels not owned by Eurodry Ltd.

Social responsibility

The company firmly believes in promoting social matters. Significant funds have been allocated to support our corporate social responsibility program. The following actions have occurred throughout 2022:

- Eurodry Ltd has made various donations through Eurobulk Ltd to “Synenosis”, “Floga”, “Ark of the world”, “The smile of the child”, “Panhellenic club of paraplegic (Anaplasti)” “Frontida association”, “Open Door” and “Hara” among others. Also provided financial aid for the wild fire victims in Greece.
- Our Company participates in various fundraising athletic competitions providing its own teams formed from its employees. We have participated in the Andros International sailing race , the race for the cure (a non-profit organization supporting awareness for breast cancer) and to the Rowing race organized by Hill Dickinson for charity every year. These activities, in addition to their social contribution, build stronger bonds among employees which is an important feature of the Company. Unfortunately this year these initiatives were placed on hold due to COVID19 pandemic.
- The Company is committed to keep its employees and its seamen environmentally and socially aware. Our team through Eurobulk Ltd in collaboration with HELMEPA organizes various activities in order to support efforts to keep the local coastlines clean.
- Through our management Company, we have also participated in the “ADOPT A SHIP” program by the NGO “PROJECT CONNECT” initiative allowing young people to connect on line with seafarers on-board in order to become familiar with the profession and the maritime industry.
- The Company actively is a member and supports the YES forum of the Navigator shipping consultants with various activities and interviews among others.
- The Company has also taken the initiative to financially support a company primarily aiming to collect floating plastic waste in high concentration areas before it sinks or breaks down into micro plastics, and develop innovative collection and reuse solutions of plastic waste in the sea, with as little environmental impact as possible
- The Company is also actively supporting A.I. programs and robotics of the National Technical University of Athens in their effort to establish are relevant institute for research.



GREENHOUSE GAS EMISSIONS

CO ₂ emissions	Unit of Measure	Data 2020	Data 2021	Data 2022	SASB Code
Gross global Scope 1 emissions	Metric tons CO ₂ -e ^A	129,506	166,818	203,844	TR-MT-110a.1
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	Page 16	Page 16	Page 16	TR-MT-110a.2
Energy consumed					
(1) Total energy consumed	Gigajoules (GJ) ^B	1,750	2,022	2,782	TR-MT-110a.3
	Percentage of energy from heavy fuel (%)	92% (HFO/LFO) 8% (MGO/MDO)	95% (HFO/LFO) 5% (MGO/MDO)	92,3% (HFO/LFO) 7,7% (MGO/MDO)	
	Percentage of energy from renewable/low-carbon sources (%)	Not available	Not available	Not available	
EEDI					
Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO ₂ per ton-nautical mile	3.65	3.65	3.65	TR-MT-110a.4
Fleet average Energy Efficiency Operational Indicator (EEOI):weighted average	Grams of CO ₂ per ton-nautical mile ^C	10.02	8.74*	8.94	Additional

* Corrected from 8.24 to 8.74 due to erroneous calculation

AIR QUALITY

Other emissions to air	Unit of Measure	Data 2020	Data 2021	Data 2022	SASB Code
(1) NO _x (excluding N ₂ O)	Metric tons	2.355,13	3.535	2.984	TR-MT-120a.1
(2) SO _x	Metric tons	362	410	562	
(3) Particulate matter (PM)	Metric tons	Not available	Not available	Not available	

ECOLOGICAL IMPACT

Marine protected areas	Unit of Measure	Data 2020	Data 2021	Data 2022	SASB Code
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days ^D	Not available	Not available	Not available	TR-MT-160a.1
Implemented ballast water					
(1) Exchange	Percentage (%)	14%	11%	4%	TR-MT-160a.2
(2) Treatment	Percentage (%)	86%	89%	96%	
Spills and releases to the environment					
(1) Number	Number	1	0	0	TR-MT-160a.3
(2) Aggregate volume	Cubic metres (m ³)	0.2	0	0	

EMPLOYEE HEALTH & SAFETY

Lost time incident rate	Unit of Measure	Data 2020	Data 2021	Data 2022	SASB Code
Lost time incident rate (LTIR)	Rate ^E	0	0.12*	0.11	TR-MT-320a.1
Lost time incident frequency (LTIF)	Rate	0	0.6	0.56	Additional, GRI 403-9

BUSINESS ETHICS

Corruption index	Unit of Measure	Data 2020	Data 2021	Data 2022	SASB Code
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	0	0	0	TR-MT-510a.1
Corruption					
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	0	TR-MT-510a.2

*Correction on calculation from 4.2 to 0.12

ACCIDENT & SAFETY MANAGEMENT

Marine casualties	Unit of Measure	Data 2020	Data 2021	Data 2022	SASB Code
Marine casualties	Number ^F	0	2*	2	TR-MT-540a.1
Very serious marine casualties	Percentage (%)	0	50%**	50%	
Conditions of class					
Number of conditions of class or recommendations	Number ^G	9	5	30	TR-MT-540a.2
Port state control					
(1) Deficiencies	Rate ^H	1.2	0.46	2.8	TR-MT-540a.3
(2) Detentions	Number	0	0	0	

ADDITIONAL GRI STANDARD

Employment	Section	Page	Code
New employee hires and turnover	Social	23	GRI 401-1
Training and education			
Average hours of training per year per employee	Social	23	GRI 404-1
Diversity and equal opportunities			
Diversity of governance bodies and employees	Social	23	GRI 405-1
General disclosures			
Statement from senior decision maker	Message from our CEO	2	GRI 402-14
Governance structure	Corporate governance	9	GRI 402-18

*correction from 1 to 2

**correction from 1 to 50 %

Assumptions

- A. **CO₂ emissions:** Calculations are based on IMO emission factors and fuel consumed, for the reporting period. The financial control approach has been applied for Scope 1.
- B. **Energy consumption:** Calculations are based on tonnes of oil equivalents (toe), using DEFRA conversion factors to calculate energy consumed in gigajoules (GJ).
- C. **Energy Efficiency Operational Indicator (EEOI):** The EEOI measures the fuel efficiency of a ship in operation and is estimated based on fuel consumed, cargo carried, and distance travelled (nm).
- D. **Marine protected areas:** Information on duration of our ships in marine protected areas was not available for the reporting period as it requires extensive data mining from records kept on board our vessels.
- E. **Lost time incident rate (LTIR):** The rate is calculated based on (lost time incidents) / (1,000,000 hours worked), and includes incidents resulting in absence from work beyond the date or shift when it occurred.
- F. **Marine casualties:** The definition of a marine casualty is based on the United Nations International Maritime Organization (IMO)'s Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident Resolution MSC 255(84), paragraph 2.9, chapter 2 of the General provisions.
- G. **Conditions of class:** The data provided represent the number of Conditions of Class or Recommendations EuroDry Ltd has received from a Flag Administration or a Recognized Organization (RO) that has been delegated the authority to issue such findings. The scope of disclosure includes all Conditions of Class regardless of whether they resulted in withdrawal, suspension or invalidation of a vessel's Class certificate.
- H. **Port state control:** Deficiency rate is calculated using the number of deficiencies it received from regional port state control (PSC) divided by total number of port state control inspections.
- I. **Reflects the fleet as per 31 December 2022.**

Disclaimer:

Information was gathered to the best of our knowledge basis the tools and resources we have in hand. Although we believe that information provided herein is reasonable, no assurance can be given and we expressly disclaim any obligations or undertaking for any discrepancy that may appear. For additional information about the company please refer to www.eurodry.gr

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