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# Corporate Sustainability Report

2021



Safehold Inc. (NYSE: SAFE) is revolutionizing real estate ownership by providing a new and better way for owners to unlock the value of the land beneath their buildings. Having created the modern ground lease industry in 2017, Safehold continues to help owners of high-quality multifamily, office, industrial, hospitality, life science and mixed-use properties generate higher returns with less risk via its modernized ground leases. The company seeks to deliver safe, growing income and long-term capital appreciation to its shareholders. Safehold's portfolio has increased 19x since IPO in June 2017 to \$6.4 billion.<sup>(1)</sup> Additional information on Safehold is available at <https://www.safeholdinc.com/>

(1)The portfolio is presented using Aggregate Gross Book Value. As of 12/31/23, the portfolio included \$136M of forward commitments that have not yet been funded (such funding commitments are subject to certain conditions). There can be no assurance Safehold will fully fund these transactions.



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# A Message from Our CEO

We are pleased to present you Safehold's annual 2023 Corporate Sustainability Report. After nearly seven years since our IPO creating the modern ground lease industry, we have grown our portfolio, our culture, and our strategy to ESG.

We've come to view and understand our perspective to ESG from the ground-up. The concept of minimizing risk has been at our core, both in our 99-year business model and in how we approach our ESG responsibilities. And this core starts with us, the entire SAFE team. By engaging with our employees, providing growth opportunities, and celebrating diverse voices, we foster a workplace that strives to deliver on organizational commitments both internally and externally. Embracing our cultural foundation, we direct our energy and resources to defining and delivering on the commitments we make to all of our key stakeholders, our Board of Directors and to the environment. Each year we strive to evolve with commitments and contributions to our communities by developing our social responsibility efforts and taking advantage of unique opportunities to improve these endeavors.

In 2023, we completed the merger between Safehold and iStar which enhanced our corporate governance structure by widely distributing voting power and expanding the number of independent directors on our Board. The merger also allowed us to internalize and better align our management team's efforts to efficiently scale the business. At Safehold, we believe that responsible and effective corporate governance, a positive corporate culture, good corporate citizenship, and the promotion of sustainability initiatives are critical to our ability to create long-term stockholder value. SAFE is committed to conducting its business in accordance with the highest ethical standards. Within

this report, we have highlighted our recent progress continuing these efforts.

Through our ground leased properties, we have partnered with world-class customers and sponsors who serve as long-term stewards of their assets, many of whom are industry leaders in terms of their environmental sustainability commitments and goals. We share these views and will continue to work hard on behalf of all of our stakeholders to fully exercise the responsibility as the owners of the land beneath these buildings.

Looking to the future, we're excited about the opportunities that lie ahead. As we monitor the evolution of policy and regulatory changes that will move the industry forward, the team is embracing emerging best practices that will keep Safehold at the forefront of ESG. We are taking steps to further strengthen our commitment to sustainability and corporate responsibility, and despite the challenges posed by an uncertain economic environment and a divisive political climate, we remain optimistic about the future and the positive impact that our efforts can have for future generations.



**Jay Sugarman**  
CHAIRMAN & CHIEF EXECUTIVE OFFICER

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# About Safehold and this Report

Safehold Inc. (NYSE: SAFE) is revolutionizing real estate ownership by providing a new and better way for owners to unlock the value of the land beneath their buildings. Having created the modern ground lease industry in 2017, Safehold continues to help owners of high-quality multifamily, office, industrial, hospitality, life science and mixed-use properties generate higher returns with less risk via its modernized ground leases. The company, which is taxed as a real estate investment trust (REIT), seeks to deliver safe, growing income and long-term capital appreciation to its shareholders.

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Safehold is headquartered in New York as of 12/31/23. Our 86 employees (as of 12/31/23) work both in the office and remotely. Safehold has a strong culture of retaining talent and promoting from within, as represented by the average employee tenure of 9.4 years.

This report was influenced by standards such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) and informed by peer benchmarking and engagement with a cross-functional group of internal stakeholders. The reporting period is January 1, 2023, through December 31, 2023.

The terms “material” and “materiality” as used in the context of this report and our materiality assessment relating to this report on page 6 are different from such terms as used in the context of filings with the Securities and Exchange Commission (“SEC”). Issues deemed material for purposes of this report should not necessarily be considered material for SEC reporting purposes.

## ESG Guides Our Approach

We take pride in being true to our word and collaborating with our stakeholders, including our employees, investors, customers/tenants, vendors, and the communities we operate within. We approach both our work – creating innovative real estate finance solutions – and the way we do it with equal care. Throughout our history, we’ve built a culture of integrity that’s supported by our five key business principles:

- » **INNOVATION**
- » **LEADERSHIP**
- » **TRUST**
- » **COMMITMENT TO INVESTORS**
- » **PASSION FOR WHAT WE DO**

As we focus on expanding the modern ground lease market, we are guided by both our business principles and how three unique qualities align and guide our ESG approach: a 99-year investment horizon, our experience and awareness of the real estate industry, and our commitment to report ESG topics that are important to our organization.

### **Our Unique Investment Horizon**

Ground leases are commonly structured with a 99-year term, the longest-term capital in the real estate market. The combination of Safehold’s long-term approach and a strong governance structure provides the foundation to evaluate risks and opportunities almost a century ahead. We are highly motivated to focus on the environmental impact of the assets in which we invest. As a result, we are taking steps with our own capital and other ESG-focused initiatives to educate and provide opportunities for our customers to do the same. Safehold’s customers are building owners and operators, who are concurrently our tenants for the term of their ground lease.

### **Experience Matters**

During our history, we’ve consistently demonstrated the ability to tap unseen opportunities and create value for our customers and shareholders in ways that never existed. We demonstrate active engagement, strong listening, and creative collaboration to keep us on the leading edge of customer-first finance solutions. The trust we’ve built with our customers is a result of our commitment to understanding their needs and tailoring solutions to help them accomplish their business goals.



### 3D Approach To Our Process & Progress

We've adopted a 3D approach – data, dialogue, and disclosure – to ESG, which promotes both accountability and continued progress in all ESG planning and goal areas.

**First**, we look at key data behind environmental, social, and governance topics that are important to our business and stakeholders.

**Next**, we use the data to facilitate an intelligent, fact-based, stakeholder dialogue that promotes best practices, policies and process.

**Lastly**, we transparently disclose the topics, goals, and progress each year through our Corporate Sustainability Report.



### 2023 Key ESG Highlights

#### Corporate Achievements



- ☑ Actively engaged key ESG ratings groups & organizations
- ☑ Eliminated 53% of cloud-based documents and increased security protocols

#### Environmental Sustainability



- ☑ Actively tracked composition of green assets within Safehold's \$6 billion+ portfolio
- ☑ Met our 20% GHG emissions reduction target ahead of schedule
- ☑ Began carbon offset purchase program for our remaining emissions impact
- ☑ Commit to purchase carbon offsets for the entirety of our emissions impact

#### Social Responsibility



- ☑ Expanded diversity initiatives through recruiting programs
- ☑ Continued coaching and mentorship platform for professional development
- ☑ Measured & maintained strong employee engagement throughout the merger process

#### Corporate Governance



- ☑ Upgraded and improved governance structure with the merging of Safehold and iStar
- ☑ Continued auditable employee training program to support strong governance policies
- ☑ Conducted diverse candidate pools and selection panels for future Board appointments

### Measuring and Reporting Our Progress

Safehold’s approach to ESG is to take the long view, one day at a time. We first look at the data behind the environmental, social, and governance topics that are important to our organization. Next, we use the data to have an intelligent, fact-based, stakeholder dialogue that allows us to create the best approach. Lastly, we transparently disclose the topics, goals and progress through our Corporate Sustainability Report. We use this approach to hold ourselves accountable and make meaningful progress in each area.

#### MATERIAL TOPICS

Safehold’s key stakeholders include its employees, Board members, investors, customers/tenants, and vendors. The success of all these stakeholders is interconnected with ours, and each of their feedback is valuable. The

frequency of our interactions with each group depends on a particular topic’s (1) importance to stakeholders and (2) impact on Safehold’s business success and sustainability. The core tenets of our engagement efforts center around transparent communication and education, providing an opportunity for feedback, and demonstrating a commitment to continued progress – all of which are critical to building both long-lasting relationships and continued business success.

Safehold’s materiality matrix is informed via stakeholder engagement feedback. Each of the 19 topics included below are deemed priority focus areas, and their segmentation into three tiers helps us determine the relative resources allocated to each in alignment with our business.






### 2023 Materiality Matrix





## 2023 Stakeholder Engagement

Additionally, the following charts summarize both (i) topics we engage individual stakeholders on most regularly and (ii) common engagement methods for each stakeholder group.

					
Key Engagement Topics	Employees	Board of Directors	Investors	Customers and Tenants	Vendors
Climate Risk Management	•	•		•	
Customer Satisfaction	•		•	•	
Diversity, Equity & Inclusion	•	•	•		•
Employee Engagement	•	•			
Ethics, Integrity & Human Rights	•	•	•	•	•
Financial Performance	•	•	•		
Governance	•	•	•		
Industry & Thought Leadership	•	•	•	•	
Merger Process	•	•	•	•	•
Privacy & Data Security	•	•		•	•
Product Innovation & Education	•		•	•	
Employee Health & Well-Being	•				•
ESG Leadership & Oversight	•	•	•		
Green Building Investments		•	•	•	
Talent Development	•	•			
Tenant Engagement	•			•	
Training, Policy & Process Refinement	•	•	•	•	•
Environmental Resource Management	•	•		•	•
Occupational Safety	•			•	•
Engagement Methods	Formal and anonymous misconduct reporting hotline; mid-year and year-end manager review process; periodic virtual town hall meetings; one-on-one engagement and satisfaction surveys; peer reviews; professional coaching and mentorship platform for employee development; regularized, auditable employee training and ethics program; self-directed continuing education offerings	Annual SEC filings; annual shareholder meeting; functional team/department presentations; open dialogue on best practices; proxy voting; quarterly Board meeting updates	One-on-one dialogue with current and prospective investors; periodic email distributions; personally sharing major reporting (e.g. Annual Report and CSR); presenting at & attending investor conferences; institutional & retail investor meetings; industry & trade association interactions (e.g. Nareit)	Active one-on-one discussions with Investments & Asset Management teams; weekly team calls to provide responsive and timely customer feedback; individual & team calls to discuss products & best practices; discussions to facilitate product education; engagement & product feedback; tenant satisfaction feedback; periodic email distributions; risk management review	Code of conduct distribution; diverse supplier certification support; one-on-one dialogue with individual vendors; policy setting discussions; vendor surveys

\*Note: Safehold’s customers and tenants are often the same party—Safehold’s customers are building owners and operators, who are concurrently tenants for the term of their ground lease.

## Product Innovation & Customer/Tenant Engagement

Safehold has always operated within a “do the right thing” culture that includes doing the right thing for all our stakeholders, including our customers. Seven years ago, as we began developing Safehold’s ground lease strategy, we knew that our culture of innovation and customer-centricity would be a differentiator. This customer-centric approach creates incremental value by allowing them to be more capital efficient, reduce their risks and enhance the returns on their investment activity.

We have built up both the size and resources of our in-house legal team over the past several years. The team’s first-in-class service helps us deliver the level of product customization, innovation, education, and responsiveness necessary for a truly customer-first experience. The impact of this change is evident in the evolving quality of our documents and processes, growth of our business, percentage of repeat customers, new customers, and expanding number of markets we serve through our unique offerings.

Item	Year End 2022	Year End 2023
Ground Lease Portfolio Count	131	137
New Customers	53	57
Repeat Customers	44	47
% of Repeat Customers with multiple deals	40%	38%
Sectors/Industries served	Multifamily, Office, Hotel, Life Science, Mixed Use, Other	Multifamily, Office, Hotel, Life Science, Mixed Use, Other
Unique Markets	38	40
Ground Lease Plus transactions (#)	3	3
Loan Plus transactions (#)	4	4
SAFE x SWAP transactions (#)	2	2

Beyond the iterative process we undertake to speak with customers and consistently deliver products that meet their needs, we drive additional value via our growing network of leasehold lenders and insurance providers. These relationships provide opportunities for our customers to work with best-of-breed partners, which ultimately supports their businesses and increases our customers’ overall satisfaction.

## Products

By design, ground leases allow for the separation of land and building ownership. This structure allows building owners to reallocate capital from buying the land under their buildings and direct it more efficiently towards the higher-yielding components – the physical building and its ongoing operations. Safehold’s ground lease position vests day-to-day control over asset operations to our tenants through the duration of the lease term, which allows us to focus on scaling the business and providing greater product innovation and customer engagement.

### Ground Lease Plus

Applying Safehold’s modern ground lease structure to development transactions allows Safehold to participate in earlier stages of a property’s life cycle. The Ground Lease Plus program gives Safehold the opportunity to purchase ground leases that underlie projects currently in the pre-development stage once they reach the shovel-ready stage. The inherent new construction nature of this product promotes green building as many of the developments will be built to environmentally responsible standards.

### Loan Plus

Loan Plus offers a powerful combination of a Safehold ground lease and a separate leasehold mortgage within the same streamlined transaction. Customers benefit from a customized, one-stop capital solution with lower costs, reduced maturity risk, and flexible structuring options in comparison to other alternatives.

## SAFE x SWAP

Many building owners are living with legacy ground leases that lack the innovative, modernized structure of Safehold’s customer friendly structure. The SAFE x SWAP program enables Safehold to work with property owners to convert their outdated and problematic ground leases into a new and value enhancing Safehold ground lease.

## SAFE x SELL

The SAFE x SELL program expands Safehold’s mission to unlock value at all stages of an asset’s life cycle by helping customers sell their properties more efficiently. Much like Safehold ground leases unlock value upon acquisition, recapitalization, and development of a property, they can also increase overall value when building owners sell their property – the combination of a Safehold ground lease and accompanying leasehold can generate more sale proceeds than selling the property outright.

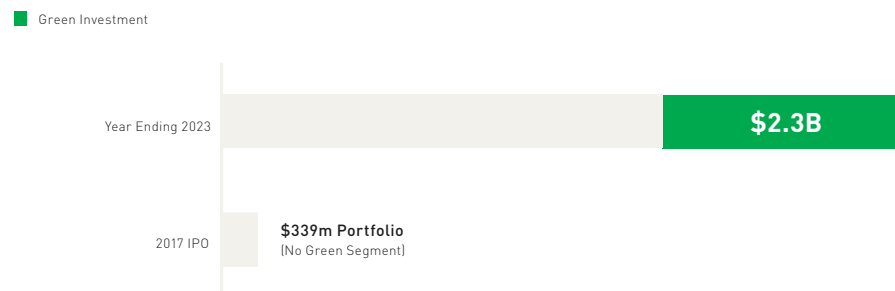
## Green Portfolio Exposure & Tenant Engagement Efforts

As of 12/31/23, Safehold’s green portfolio exposure – the share of ground leases with completed or pending LEED certified buildings atop them – totaled \$2.3 billion, representing 36% of the overall \$6.4 billion portfolio. For reference, this is up from zero at the time of our 2017 IPO, highlighting our success in growing the green investment component of our portfolio.

While Safehold’s ground lease position vests day-to-day control over asset operations to our tenants through the duration of the lease term, we have increased our tenant engagement efforts to promote more environmentally friendly building practices.

## Safehold Green Portfolio Breakdown

Green assets<sup>1</sup> comprise 36%<sup>2</sup> of Safehold’s portfolio (as of 12/31/23)



**\$6.4B Total Portfolio**

Aggregate Gross Book Value<sup>3</sup>

<sup>1</sup> Green assets meet LEED certification standards for environmental performance at various levels.

<sup>2</sup> Includes both completed and pending certifications.

<sup>3</sup> A reconciliation of our portfolio to our balance sheet prepared in accordance with GAAP can be found in our 4Q 2023 earnings presentation on our website.

# ESG Governance

**Board of Directors ESG Responsibilities**

ESG oversight is a critical component of the long-term financial sustainability of Safehold’s business given the 99-year investment horizon of ground leases. Our full Board of Directors is responsible for overseeing ESG factors as part of its risk management (including climate-related risks and opportunities) and strategic business planning responsibilities. The Board is updated multiple times each year by either an ESG Executive Sponsor or other members of the ESG Advisory Council.

Additionally, there are three board committees made up of entirely independent directors, who each have responsibilities that align to specific environmental, social, and governance topics.

**The Audit Committee Responsibilities Include:**

- Review of annual financial statements, systems of internal controls, and legal compliance policies and procedures
- Risk assessment and risk management policies
- The functions of our compliance and ethics organization

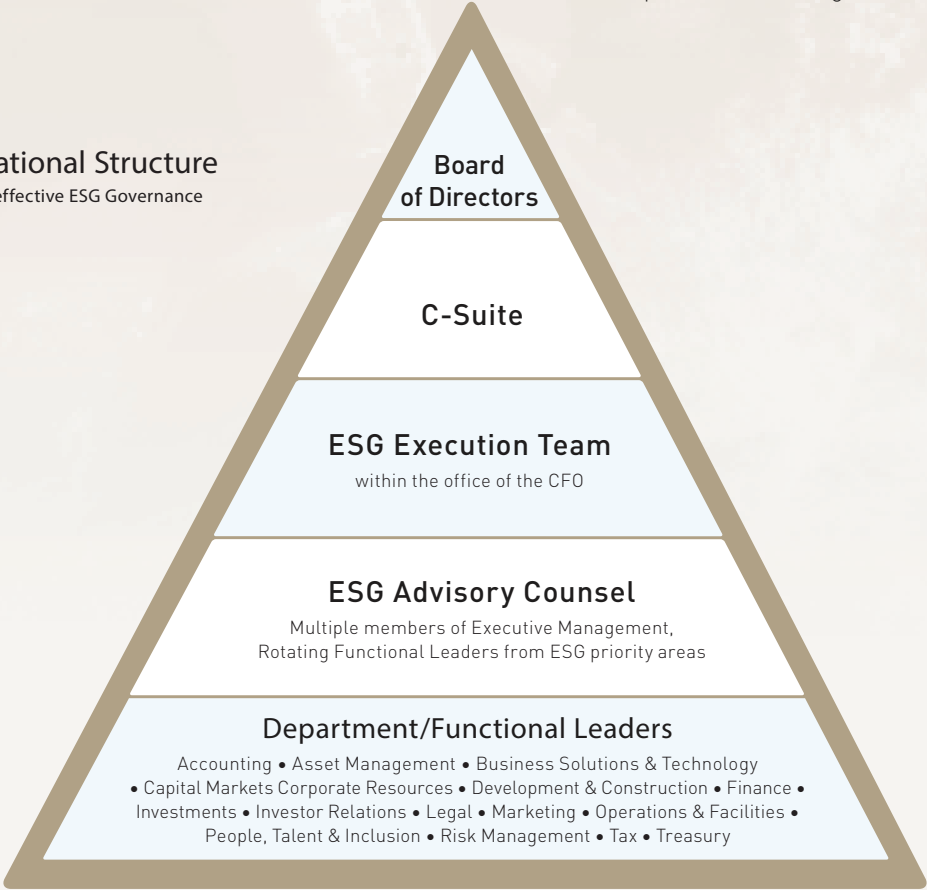
**The Compensation Committee Responsibilities Include:**

- Determining from time to time the remuneration for our non-executive directors
- Oversight of equity-based compensation plan and programs

**The Nominating and Corporate Governance Committee Responsibilities Include:**

- Programs, policies, and practices relating to charitable, political, social, and environmental issues, impacts, and strategies

**ESG Organizational Structure**  
Key Components to effective ESG Governance



**C-Suite ESG Responsibilities**

All members of our executive leadership team are actively engaged in how Safehold approaches and manages ESG risks and opportunities. Additionally, four members of our Executive Management team sat on our ESG Advisory Council, including our Chief People Officer, Chief Financial Officer, Chief Legal Officer, and General Counsel. The Chief People Officer also oversees the Company’s annual review and compensation process, which notably began including a link between individuals’ inclusivity performance and compensation since 2021.

**ESG Leadership and ESG Advisory Council**

In 2022, we proactively began the process of nesting day-to-day ESG oversight into the Office of the CFO. In 2023, ESG leadership was fully transitioned under CFO. This important step aligns ESG more closely to the C-Suite in advance of formalized ESG regulatory

guidance that is anticipated in the years ahead. A team directly beneath the CFO is responsible for guiding ESG data gathering, strategy, disclosures, and communication, in addition to ensuring that ESG matters are thoughtfully integrated into the organization’s decision making.

The ESG Advisory Council, established in 2020 with representation from Executive Management and other key areas in the organization, typically meets 4-6 times each year. The group serves as both an oversight body and an advisory body to the C-Suite and the Board of Directors, to ensure that we are appropriately considering and taking actions aligned with our ESG risks and opportunities, business strategy, policies, and initiatives. Executive Management members approve individual actions and suggest new areas for the team to explore. Findings and progress are reported to the Board of Directors multiple times each year in its regular quarterly meetings.

*Supporting Our ESG Strategy Through Policies and Action*

Safehold takes a proactive approach to create and administer policies that are foundational to our ESG strategy and governance, including employees and vendors. ESG leadership and the Company’s Chief People Officer partner with individuals across Safehold to (1) ensure that ESG-related training and communication is completed as noted below, (2) track and audit metrics to assess performance, and (3) identify opportunities for improving our ESG initiatives.

In 2021, we created an approach to ensuring our policies and programs align with our most important ESG topics. We continued in 2022 and 2023 to update our annual training to incorporate new ESG topics. Our training includes:

**Corporate Code of Conduct:** annual employee review of the code and written acknowledgement/sign-off; employees are provided a summary highlighting any changes

**Vendor Code of Conduct:** annual electronic distribution, notably emphasizing human and labor rights

**Human Rights:** annual company-wide email distribution to reaffirm the principles and standards set out in both our Corporate Sustainability Policy Summary and Vendor Code of Conduct. A particular emphasis is placed on the most salient human rights risks, including raising awareness and prevention of harassment, discrimination, and exploitation, notably forced labor and human trafficking

**Diversity, Equity & Inclusion:** annual internal town hall meeting

**Discrimination and Sexual Harassment:** annual third-party training. Mandatory for all employees; 100% participation

**Cybersecurity:** annual third-party training. Mandatory for all employees; 100% participation

**On-going phishing tests:** monthly/bi-weekly phishing tests for all employees. Anyone who fails the test would be assigned remedial cyber security training to enhance their awareness; 100% participation

**Anti-Money Laundering (AML):** annual third-party training. Mandatory for all employees; 100% participation

**Know Your Customer (KYC):** annual third-party training. Mandatory for all employees; 100% participation

We continued in 2023 to update our annual third-party training to incorporate new ESG topics.

**Anonymous Ethics Hotline:** annual email distribution reiterating the Company’s anonymous ethics hotline and whistleblower program, with an emphasis on non-retaliation for any filed complaints

**Document Management & Retention Policy:** periodic system and policy training to promote strong adherence with cybersecurity best practices

The results of training participation and policy update recommendations are reported to the C-Suite. Additionally, a third-party audit is completed annually to ensure our Code of Conduct and Handbooks are provided to all employees.

## Our Policies Supporting ESG

### Corporate Code of Conduct

Safehold’s policy is to set high standards for the way it conducts business – from corporate and social responsibility to sound business ethics. Our reputation for integrity is the cornerstone of individuals’ trust in Safehold; it is what provides us an opportunity to serve our investors, customers, and other stakeholders. Therefore, our Corporate Code of Conduct includes Conflicts of Interest; Personal Financial & Outside Business Interests; Corporate Boards; Corporate Opportunities; Use and Protection of Company Assets; Confidentiality; Dealing with the Press & Communication with the Public; and Accounting Matters, etc.

An established Compliance Committee administers the overall compliance program, including our Corporate Code of Conduct. The Committee consists of our Chief Financial Officer, General Counsel, and Chief People Officer.

### Anti-Corruption & Anti-Bribery Policies

Safehold takes illicit business activity seriously and works diligently to prevent both money laundering and financing of terrorism. We comply with all applicable Anti-Money Laundering (AML) laws and will not knowingly participate in arrangements to launder money, nor will we do business with anyone suspected of involvement with such criminal activity, terrorist activity, or who is subject to applicable trade sanctions. We employ appropriate Know Your Customer (KYC) measures (e.g., industry-leading background checks via an independent third-party provider) to ensure that we satisfactorily know our clients and customers – with the goal of reducing the likelihood that we could be implicated in a nefarious scheme.

Safehold expressly prohibits all forms of bribery/corruption and facilitation payments. In terms of this policy, these items are more clearly defined as follows:

- Bribery is defined as the act of improperly promising, offering, giving, soliciting, asking, agreeing, receiving, or accepting something of value for an advantage, or to induce or influence an action or decision.
- A bribe is defined as any payment, gift, inducement, reward, service, or item of value promised or provided – either directly or indirectly – to a recipient with the intent to improperly influence any act or decision of such person or organization.
- Facilitation payments are defined as unofficial payments made to public or government officials or authorities to secure or expedite the performance of routine duties, services, or procedures of non-discretionary nature to which they are already bound to perform. The payment is not intended to influence the outcome of the official’s action, but rather to influence its timing.

This policy applies to anyone acting in any capacity on Safehold’s behalf, including employees, agents, or intermediaries.

### Whistleblower Policy

Our employees may report – either directly or anonymously – any suspected misconduct concerns or violations of Safehold’s Code of Conduct. NAVEX Global provides EthicsPoint service to all employees. This is an independent and confidential 24/7 hotline created to help employees and management work together to address fraud, abuse, and other misconduct in the

workplace, while cultivating a positive work environment. We prohibit retaliation against employees who report actual or suspected violations. Anyone who attempts to retaliate will be subject to disciplinary action, up to and including termination.

### Political Contributions & Lobbying

Safehold does not use corporate funds towards direct political advocacy (e.g., campaign contributions and lobbying). We are members of trade groups (e.g., Nareit) who participate in broad legislative activity related to the real estate industry.

Safehold does not infringe on an individual employee's right to vote, to financially support a candidate or party of their choice, to keep informed and/or involved in political matters, to serve within civic bodies, or to hold political office at any level of government. We separately provide employees paid time off for voting.

### Corporate Sustainability Policy Summary

Safehold publishes and regularly updates its Corporate Sustainability Policy Summary, which outlines Safehold's governing ESG principles. It complements both our Annual Corporate Sustainability Report and Proxy Statement, and is intended to provide greater detail on the policies, procedures, and best practices that guide our work, including:

**Social Policies:** Anti-Money Laundering (AML) & Know Your Customer (KYC), Corporate Code of Conduct, Diversity, Equity and Inclusion, Human & Labor Rights, Political Contributions & Lobbying, Safe & Healthy Workplace and Vendor Code of Conduct

**Environmental Policies:** Corporate Environmental Policy, Environmental Management, Climate Change, Operational Waste & Energy Management

**Oversight Policies:** Training Programs & Policy Auditing, Stakeholder Engagement, Compliance & Reporting Concern, Information Security & Cyber Risk Management

### Corporate Environmental Policy & Environmental Management

Our environmental policy and management efforts are steered by a combination of the ESG Advisory Council and Executive Management across numerous departments, including, but not limited to, Operations & Facilities, Risk Management, Asset Management, Development & Construction, Legal, and Business Solutions & Technology. These activities are subject to oversight and review by our full Board of Directors. We seek to identify operational areas of environmental risk and opportunities for positive impact. This provides us with a cross-functional approach to recognizing where our operations can have direct and indirect impacts on the world around us, including:

- Ensuring our operations comply with applicable local laws in all material respects and understanding areas for positive impact derived from future possible laws.
- Seeking to limit the carbon impact of our employees in the workplace.

Safehold's policy is to set high standards for the way it conducts business – from corporate and social responsibility to sound business ethics

- Assessing our GHG emissions so we can reduce our carbon footprint as much as reasonably possible by 2025 and beyond (see subsequent Climate Change Disclosure for further detail on our reductions and efforts towards carbon neutrality).
- Considering issues like water quality and scarcity, biodiversity, alternative transportation, and energy efficiency.
- Evaluating climate-related risks of both new and existing Safehold assets, as it relates to both the financial impacts and opportunities of our business (see subsequent Climate Change Disclosure for further detail).
- Requiring vendors to conduct aspects of their business in an environmentally responsible manner.
- Providing employees with education, training, and tools that allow them to reduce their own environmental impact.
- When possible, requesting that building owners and operators provide us with emissions activity reports procured during the ordinary course of business.
- Ensuring building owners keep their properties in compliance with applicable, governing environmental and energy efficiency laws.

We implemented several environmentally friendly actions in recent years within our internal operations, including:

- Roughly 64,000 kWh of energy savings each year via migrating our server infrastructure to the cloud and providing employees with more energy-efficient laptops.
- Reduced waste impact in corporate operations via going plastic-free in our offices and rolling out a new online data warehouse to reduce paper printing.

These earlier initiatives remain in place and continue to provide positive environmental impact.

### **Vendor Code of Conduct**

Safehold provides its Vendor Code of Conduct to existing vendors, and to new vendors as part of our evaluation and onboarding process. Safehold reserves the right to audit vendor compliance with this Code, review the overall business relationship, and/or terminate the relationship if they determine that a vendor has breached this code. The Vendor Code of Conduct includes:

- Child Labor; Forced Labor & Human Trafficking; Working Hours; Freedom of Association and Collective Bargaining; Health and Safety Management
- Environmental Management
- Supplier Diversity & Economic Inclusion

### **Information Technology and Cybersecurity**

We have a strong Cybersecurity Incident Response Team and IT security processes in place. Mandatory cyber awareness training sessions are held each year for all employees, the timing of which is aligned with seasonal increases in attempted security hacks. Periodic penetration and phishing tests are performed as well. Employees who perform below expected standards are required to take remedial training.

The documents described above are available at:

<https://www.safeholdinc.com/sustainability>

<https://ir.safeholdinc.com/corporate-governance>



# Environmental

## *Climate Change Disclosure – Our Approach on Climate Change*

### **Environmental Governance**

Elements of climate-related planning are worked into numerous facets of the organization, including, but not limited to, the investment process, risk management, underwriting, legal, asset management, stakeholder engagement efforts, and both employee and vendor relations. Executive Management and the Board consider climate-related risks and opportunities on the Company's strategy, operational decisions, and performance.

### **Environmental Strategy**

Safehold's uniquely long investment horizon demands we take a longer perspective than others — 99 years — when assessing the range of risks and opportunities presented by climate change. Our evaluation of risks and opportunities consider a combination of the positive and negative impacts of both (i) the impact of our business on the changing world and (ii) the changing world's impact on our business. Our 99-year investment horizon affords us the opportunity to approach strategic and financial planning through a truly different lens. While our goal is to deliver customer-first finance solutions, we recognize the importance of considering sustainability and climate change in thoughtful, cross-functional decision making.

As is common with ground leases, Safehold intentionally defers day-to-day decision-making rights at the physical asset level to its customers. Tenant engagement efforts are then a key part of our strategy, with the goal of promoting environmentally conscious actions and green building practices.

Beyond tenant engagement, our strategy further includes identifying risks and incorporating them into our environmental management efforts, with a focus on risk mitigation measures. Both physical and transition risk factors can impact our business, strategy, and financial planning:

- For physical climate risk, we seek to assess and mitigate the impacts that changing acute and chronic weather conditions may have on our business.
- For transition climate risk, we seek to better understand risks related to the transition to a lower-carbon economy, notably from possible changes in market dynamics, technology, policy/regulation, and reputation.



Our 99-year investment horizon affords us the opportunity to approach strategic and financial planning through a truly different lens.

### Climate-Related Risks & Opportunities

(as of 12/31/23)

Time Period	Physical Climate Risk	Transition Climate Risk	Climate Opportunities
Short Term (Through 2030)	<ul style="list-style-type: none"> <li>• Growing frequency of extreme, acute weather-related events such as floods, hurricanes, and wildfires</li> <li>• Early impacts of water stress</li> </ul>	<ul style="list-style-type: none"> <li>• Growing emissions-reporting obligations</li> <li>• Mandates to transition to lower emissions technology</li> <li>• Changing customer behavior</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity to create green ground leases that support more environmentally conscious building modernization and development</li> </ul>
Medium Term (2030-2050)	<ul style="list-style-type: none"> <li>• Growing severity of extreme, acute weather-related events</li> <li>• Continuing impacts of chronic water stress in the form of more frequent and severe droughts</li> </ul>	<ul style="list-style-type: none"> <li>• Increased stakeholder concern</li> <li>• Litigation for failing to meet energy-efficiency requirements</li> <li>• Prohibitive GHG emissions pricing</li> <li>• Stigmatization of real estate sector</li> </ul>	<ul style="list-style-type: none"> <li>• Clearer recognition of the benefit Safehold's diversified nationwide portfolio provides against the impacts of climate change on individual assets/markets</li> </ul>
Long Term (Beyond 2050)	<ul style="list-style-type: none"> <li>• Chronically increasing average and extreme temperatures create more regions and severity of heat stress</li> <li>• Impacts of sea level rise potentially begin being felt</li> </ul>	<ul style="list-style-type: none"> <li>• Potential shift in the utility and associated value of certain real estate markets and/or property types</li> </ul>	<ul style="list-style-type: none"> <li>• Contractual lease requirements preserve the continued usefulness of assets and promote enduring value in the face of unforeseen changes</li> </ul>

Note: Safehold is involved in real estate transactions as a capital provider via its ground lease capital. This key structural fact may limit or mitigate some of the above-noted risks for Safehold, though the company may still be impacted to the extent that the risks are felt by Safehold's customers/tenants.

### Environmental Risk Management

Our risk management process seeks to identify and mitigate any outsized risks to our business – both now and into the future. We seek to better understand, and share with stakeholders, the potential impacts of climate change on our business, markets, and economic performance. We undertook a process in 2021 to expand the robustness of our physical climate risk assessment, with the goal of first applying the expanded methodology to Safehold's growing ground lease portfolio. Both the prior Climate-Related Risks & Opportunities chart and the following Physical Climate Risk Summary chart as well as Risk Category Distribution and Risk Scores are underpinned by Climate on Demand ESG product, which provides foundational insight through rigorous data and analytics that define current and forward-looking location-specific threats to real assets from climate-related event damages and business disruption. It generates over 17 underlying risk indicators which

ultimately derive physical risk scores for six defined climate hazards (floods, heat stress, hurricanes, sea level rise, water stress, and wildfires) and a seventh commonly considered physical risk – earthquakes.

Moody's Climate on Demand leverages highly innovative climate-conditioned catastrophe models to provide robust insights at high enough resolutions to measure physical risk financial impacts:

- **Climate Science & Likelihood of Events:** Evaluating physical climate risks requires an understanding of the various drivers of risk that could impact predicted outcomes. Moody's Climate on Demand models combine bottom-up weather simulations using climate model output and the latest scientific consensus on climate change, to calculate the expected frequency and severity of chronic and acute climate events both now and in the future.

- Asset Characteristics & Likelihood of Damage:** Individual property characteristics are a significant factor in modeling hazard damages from wildfires to floods. Moody's Climate on Demand is informed by on-the-ground post-event damage reconnaissance surveys that capture building and facility detailed damage assessments. Additionally, machine learning techniques are utilized in modeling how factors such as building type, industry, and regional building codes can impact the damage and financial losses.
- Geography & Likelihood of Damage and Business Disruption:** Location influences climate-related damage and disruption. Factors such as local terrain, geology, land-use, and local guidelines on built environment influence expected damage. Intensive modeling approaches are applied to data sparse regions to address not only historical hazard data scarcity but also macro scale mitigation efforts, such as flood defenses.
- Climate-Conditioned Catastrophe Modeling:** The scientific community is reaching consensus that to measure climate change impacts at the resolution required to make financial decisions, both general circulation models (GCMs) and catastrophe (cat) risk models are needed. GCMs are instrumental in modeling large-scale, long-term, global modes of variability and trends in atmospheric and ocean circulation systems but they cannot be run at high enough resolutions to capture all meaningful processes at regional and local levels. Catastrophe models, on the other hand, are used to model near-term outcomes in extreme weather and have been used in the insurance industry (one of the most highly regulated financial services industries) for over three decades to protect and deploy capital efficiently. Moody's took the approach that brings together the best of both worlds leaning into the

strengths of each model class to create a highly robust and granular forward-looking view of climate impacts to real assets. Ultimately, this is a hybrid approach that combines state-of-the-science techniques for event simulation and damage calculation, with state-of-the-science data from GCMs and the academic consensus on climate change, to produce robust estimates of near- and long-term acute physical risk.

Moody's climate scenario ESG tool utilizes the Representative Concentration Pathway 8.5 Scenario (RCP8.5) from the UN's Intergovernmental Panel on Climate Change (IPCC), the leading standard for climate modeling. This scenario represents a trajectory of sustained high energy demands, causing high greenhouse gas concentration, and forcing an increase in global mean temperatures of approximately 4.3°C by the end of the century (2100). The RCP8.5 Scenario is the high-end scenario out of seven scenarios commonly assessed for climate projections and decision-making climate change scenarios. It represents a "business as usual" scenario, a "high emissions" scenario, or a "worst-case" scenario.

Moody's ESG platform categorizes properties' physical risk into the following 5 levels: No Risk (not exposed); Low Risk (not significantly exposed to historical or projected risks); Medium Risk (exposed to some historical and/or projected risks); High Risk (exposed today and exposure level is increasing); Red Flag (highly exposed to historical and/or projected risks, indicating high potential for negative impacts). This 5-level risk categorization scale assesses both the absolute degree of exposure to climate hazards and the relative change in exposure as projected by climate models. The thresholds between levels are based on the overall distribution of climate risk exposure calculated in Moody's ESG's investable scoring universe as below:

	Heat Stress	Water Stress	Sea Level Rise	Hurricanes	Floods	Earthquakes	Wildfires
Red Flag	≥95	≥95	≥70	≥95	≥75	≥97	≥96
High Risk	66-94	66-94	60-69	66-94	50-74	92-96	68-95
Medium Risk	33-65	33-65	46-59	33-65	28-49	55-91	38-67
Low Risk	0-32	0-32	5-45	1-32	0-27	1-54	1-37
No Risk	N/A	N/A	0-4	0	N/A	0	0

Per the following chart, the physical climate risk categorization of Safehold’s 137 property, diversified nationwide portfolio is heavily in-line with the average risk measured throughout the United States (defined as the average exposure scores of the roughly 3 million real assets nationwide that comprise Moody’s investable scoring universe). While individual risk scores vary nominally between Safehold’s portfolio and the average U.S. figures, the overall risk category is the same for six of the seven physical risks. Furthermore, it bears noting that Safehold’s risk position is further cushioned by the relatively low risk inherent with our ground lease’s

typical positioning in the capital structure – often at 35-40% of the overall property value. While Safehold’s customers/tenants are day-to-day decision makers and recognize the earliest impact of risks (e.g., lower revenues and/or higher costs) in their position as building owners, we recognize the associated impact it can have on Safehold (e.g., lower rent coverage multiple). We commonly manage these and other physical risks through a combination of portfolio diversification, risk management oversight, insurance requirements, rebuild provisions, and will-serve water supply letters, among other items.

### Safehold Physical Climate Risk Summary

Portfolio AGBV Weighted (as of 12/31/23)  
Hazard Time Horizon: 2030

Physical Risk	Earthquakes	Floods	Heat Stress	Hurricanes	Sea Level Rise	Water Stress	Wildfires
Safehold Portfolio Risk Category	Low Risk	Medium Risk	Low Risk	Medium Risk	Low Risk	Low Risk	High Risk
Average U.S. Risk Category	Low Risk	Low Risk	Low Risk	Medium Risk	Low Risk	Medium Risk	Medium Risk

Source & Notice: Risk categories for both Safehold's portfolio and U.S. averages source from Moody's Climate-On-Demand platform.

### Risk Category Distribution

AGBV % (as of 12/31/23)  
Hazard Time Horizon: 2030

	Heat Stress	Water Stress	Sea Level Rise	Hurricanes	Floods	Earthquakes	Wildfires
Red Flag	3%	11%	0%	0%	2%	1%	0%
High Risk	10%	30%	0%	59%	0%	14%	56%
Medium Risk	18%	19%	4%	7%	0%	16%	42%
Low Risk	3%	40%	96%	5%	61%	70%	2%
No Risk	66%	0%	0%	29%	37%	0%	0%

## Risk Scores Property Type

Portfolio AGBV Weighted (as of 12/31/23)

Hazard Time Horizon: 2030

Risk Category	Earthquakes	Floods	Heat Stress	Hurricanes	Sea Level Rise	Water Stress	Wildfires
Multifamily	31	27	0	36	16	37	63
Office	18	42	0	62	33	14	71
Hotel	51	26	10	29	23	42	72
Mixed Use & Other	2	72	0	69	40	9	71
Life Science	20	58	1	62	39	15	75
Total Average	27	36	1	49	26	26	68

## Risk Scores Through 2090

AGBV % (as of 12/31/23)

Hazard Time Horizon: 2030

Portfolio Risk Score Weighted by AGBV	2030	2040	2050	2060	2070	2080	2090
Heat Stress	1	9	52	89	99	100	100
Water Stress	26	27	29	30	31	33	34
Sea Level Rise	26	26	26	26	26	26	26
Hurricanes	49	49	50	51	51	52	53
Floods	36	44	47	50	53	54	55
Earthquakes	27	27	27	27	27	27	27
Wildfires	68	75	80	83	86	87	89
Overall Average	33	37	44	51	53	54	55

Source & Notice: Risk categories for both Safehold's portfolio and U.S. averages source from Moody's Climate-On-Demand platform.

We generally perceive transition risk to have a greater possibility of long-term impacts, particularly considering our unique 99-year investment horizon. We perceive the highest risk to be the possibility of certain markets and/or property types being permanently impaired decades from now due to a combination of declining revenues and/or the cost of complying with increasingly strict environmental mandates. We seek to mitigate this risk by building a highly diversified, nationwide portfolio that diminishes the impact of any individual exposures. Safehold can also sell any individual ground lease at any given time if unfolding dynamics in a particular market/geography suggest it would be prudent.

**Metrics & Targets**

The figures below represent the GHG emissions of Safehold’s physical business operations in 2023 in comparison to its 2019 baseline year. This is a calculation of our greenhouse gas emissions inventory in accordance

with the GHG Protocol Corporate Accounting Standard – adopting their operational control boundary method. The GHG Protocol defines the operational control approach to include operations where we have the full authority to introduce and implement operating policies.

In 2023, Safehold continued to reduce its GHG emissions by changing both how we work and how we work with others. Our cloud migration completion and more mindful business travel supported meaningful emissions reductions. We materially reduced our New York office space and closed our Georgia office, materially reducing emissions. We also eliminated approximately 53% of the documents and a server room as part of the merger, resulting in reducing storage space in our cloud environment, lowering energy footprint and savings related to server and HVAC infrastructure of about 24,000 kWh per year. Additionally, a downsize in workforce contributed to emission decreases.

**Achieved 20% GHG emissions reduction target ahead of schedule and now commit to purchase carbon offsets for the entirety of our emissions impact.**

**GHG Emissions Metrics<sup>(1)</sup>**

Co <sub>2</sub> e Footprint					Timeline & Progress	
Emission Type	Source	mT 2019 baseline	mT 2022	mT 2023	Year	Key Events
Scope 1	Natural Gas	0	0	0	2019	<ul style="list-style-type: none"> <li>• Inaugural CSR year (published in April 2020)</li> <li>• Baseline GHG emissions year</li> </ul>
	Heating Oil	0	0	0		
	Propane	0	0	0	2020	<ul style="list-style-type: none"> <li>• ESG Advisory Council established</li> </ul>
	Gasoline	0	0	0		
	Diesel	0	0	0		
	Steam	0	0	0		
Scope 2	Electricity	277	211	111	2021	<ul style="list-style-type: none"> <li>• Head of ESG appointed</li> <li>• Established GHG emissions baseline – 2019 – to measure future emissions against</li> <li>• Targeted GHG emissions reduction of 20% by 2025 relative to its 2019 baseline</li> </ul>
Scope 3	Hotel	7	2	24		
	Paper	25	30	38		
	Air Travel	389	196	219		
	Rental Cars	30	11	9		
	Automobile Commute	192	116	19		
	Bus Commute	51	41	46		
	Train/Metro/Light Rail Commute	9	6	5		
Shipping	6	2	2			
<b>Total</b>		1,036	615 (41% reduction)	475 (23% reduction)	2022	<ul style="list-style-type: none"> <li>• Identify &amp; execute opportunities for reducing GHG emissions</li> <li>• Achieved targeted 20% GHG emissions reduction (against 2019 baseline) ahead of schedule</li> </ul>
<b>Total Per Employee<sup>(2)</sup></b>		6.7	5.3 (21% reduction)	5.5 (4% increase)		
					2023	<ul style="list-style-type: none"> <li>• Began annual process to purchase carbon offsets for our remaining emissions impact</li> </ul>
					2024	<ul style="list-style-type: none"> <li>• Commit to purchase carbon offsets for the entirety of our emissions impact</li> <li>• Target to maintain 0 emissions in Scope 1</li> </ul>

(1) Emissions calculations computed by Terrapass, a leading carbon offset and REC provider. Terrapass carbon footprint calculations utilize Greenhouse Gas Protocol – the international standard for carbon accounting. Terrapass wholly relies on Safehold’s provided data and certifies the carbon accounting utilized to develop Safehold’s carbon footprint.

(2) Per employee metrics assume 117 employees and 86 employees as of year-end 2022 and 2023, respectively.

# Social

Safehold's team – 86 members as of 12/31/23 – move the Company forward each day by operating with integrity, leading with innovation, and demonstrating a clear customer-centric approach.

Our social responsibility policies, including Human & Labor Rights; Diversity, Equity and Inclusion; Code of Conduct; Corporate Sustainability Policy Summary; Vendor Code of Conduct; and Supplier Diversity are foundational to the success of our employees and our operations. A copy of each of these policies is available at <https://ir.safeholdinc.com/corporate-governance>

Our innovative ground lease business model thrives on attracting and nurturing top-tier talent within an inclusive, development-oriented, and engaged workplace culture.



## Cultivating Engagement and Inclusivity

Safehold uses a third-party tool, 15Five, to measure and improve employee engagement. The 15Five platform enables Safehold to solicit feedback from employees across 16 different dimensions that contribute to engagement, linking directly to performance metrics and incentivization and allowing us to establish benchmarks and inclusion-related goals. We survey employees twice each year, and our engagement results are measured and tied to our performance metrics and incentives. 15Five provides each leader a report on their team's engagement; leaders then identify one high impact action per year that will positively move the needle in their team. In 2021, we began incorporating peer feedback on employees' inclusivity performance into the annual review and compensation process. This clear link – with a 5% overall weighting in 2023 – between inclusivity and pay promotes an environment of awareness and accountability, which better facilitates the nature of workplace and collegueship that we wish to demonstrate and promote. Measuring inclusive leadership competencies built into performance reviews strengthens our culture of accountability and awareness.

### Employee Engagement Score/Employee Satisfaction

In 2023, 98% of our teammates participated in measuring engagement, highlighting Safehold's vibrant, participatory culture. Our averaged Engagement Score of 76% represents an engaged employee culture.

Safehold also introduced an eNPS survey (employee net promoter score) to measure satisfaction and loyalty amongst our employee base, as well as a Retention survey to gauge an understanding of our employee's long-term commitment to the organization.

### Valuing Engagement and Impact

One of the keys to effective engagement isn't just listening but acting. During 2021, using our employee survey, we ascertained that a more flexible work arrangement would be necessary. As a result, we engaged each person in the company to offer either a permanent work-from-home or hybrid work option, depending on their role. Reimagining how we think about work and the traditional work model was successful because of the trust we have built, our continuous feedback loop, and our commitment to take action.

In 2023, our Chief People Officer assumed an added role of a performance coach, tasked with coaching our investments team to develop the skills and behaviors that will deliver results. Safehold's People, Talent, and Inclusion team, in partnership with leadership, continues to develop responsive actions to adapt and evolve in line with employee feedback.

"I really enjoy coming to work every day for a couple of reasons – the people, having a clarity of purpose, and broadly speaking, our team and the whole company. We have fun doing what we do. We're constantly pushing the limits and innovating. We care about each other, our business, and how we do business. It's rare that I call it work."





## Diversity, Equity & Inclusion (DEI)

Diversity, Equity, and Inclusion (DEI) at Safehold is a core tenet, reflected in company programs like the Cultural Equity Council and our engagement with PwC's CEO Action for Diversity & Inclusion, which is a platform to advance DEI in the workplace. Safehold also implemented DiSC Workplace Style workshops and Situational Leadership training to assist employees in understanding diverse communication styles.

Safehold is committed to understanding and improving the lived experience of all our colleagues. We are invested in creating a culture where our people can be themselves and share their best skillsets without reservation – not only because it is the right thing to do, but also because it best produces a high-performance culture with the strongest business outcomes. Ultimately, we're focused on creating a company and a culture we're all proud to work within, one with high aspirations for ourselves and society. Safehold's goal within DEI is to ensure a workplace where every team member is valued and supported in an environment of excellence and inclusion.

### Cultural Equity Council

Safehold values every individual team member and the multifaceted experiences they bring to our company. We believe that embracing our unique differences leads to better problem solving, better decision making, and better business outcomes. Our Cultural Equity Council (CEC) was formed in 2020 and is charged with helping Safehold sustain and evolve our culture so that we are as equitable and inclusive as we can be.

The CEC included involvement by members of Executive Management, including our Chief Investment Officer and Chief Legal Officer, and was led by our Chief People Officer. Ongoing progress is reported to Safehold's Board of Directors. Since 2021, our Chairman and Chief Executive Officer, Jay Sugarman, has been a member of CEO Action for Diversity & Inclusion™, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.

Additionally, we are proud to have achieved the vast majority of our 2023 DEI goals, outlined below, while charting a path forward to further integrate DEI principles and processes into the fabric of our organization.

### Recruiting/Talent Management

- Safehold always focuses on selecting and developing the strongest talent for each position in the company
- Simultaneously, Safehold's strategic focus on diversity in hiring. 100% of job searches in 2023 consisted of diverse candidate pools by race and gender and diverse interview panels by race and gender; 80% of roles filled with diverse candidates in 2023
- Broadened our recruitment reach to include more Historically Black Colleges and Universities (HBCUs) since 2019
- Using interview guides for our most-hired positions to ensure a consistent interview process and methodology

### External Vendors

Safehold's commitment extends to our vendors, with innovative partnerships focused on helping our partners become certified diverse suppliers and thoughtfully adjusting our fee structure to enable smaller enterprises to compete fairly while ensuring our business practices promote diversity and equity. In our pursuit of enhancing supplier diversity, we are dedicated to supporting diverse-owned vendors in obtaining necessary certifications. Safehold has established a certification assistance program where we absorb the associates costs, including consultancy fees, to facilitate the certification process. This initiative recognizes the inherent challenges faced by many diverse-owned businesses, particularly in terms of time and financial investment required for certification. This certification assistance program promotes a key DEI objective, namely expanding both our own and others' support of diverse-owned businesses. This strategy strengthens operational excellence, drives innovation, and reflects our belief that real value extends beyond financial metrics to include the social and economic impact of our business practices.

## Diversity, Equity & Inclusion (DEI)

### Internal Surveys

- Completed two company-wide DEI surveys that provide insights into the current state of DEI. Safehold has top line goals that measures two key inclusion prompts:

Question Prompt	% of employees agree with statement
The people I work with everyday respect employees of different races, sexual-orientations, genders, gender identities, and ages.	96%
People of all backgrounds have a fair chance to be hired and promoted at my organization.	93%
My organization is taking action to address issues of fairness, diversity, equity and inclusion.	93%
My organization communicates frequently about its diversity policies and practices.	94%
On the whole, I feel I am treated fairly and with respect by the people I work with.	95%

- Identified areas of improvement within DEI scores
- Completed two Employee Engagement Surveys to gauge culture

### Management Training

- Provided resources for Inclusive Leadership
- Provided targeted coaching, support, and leadership development

### Management Training: Engagement with PwC’s CEO Action for Diversity & Inclusion

CEO Action for Diversity and Inclusion was co-founded in 2017 on a shared belief that diversity, equity and inclusion is a societal issue, and that collaboration and bold action from the business community - especially CEOs - is vital to driving change at scale. CEO Action is now the largest business-led initiative to advance DEI in the workplace, with more than 2,500 CEOs having pledged to create more inclusive cultures while not being afraid of having difficult conversations about diversity, equity and inclusion. Our organization actively engages with CEO Action’s webinars and resources to stay informed of DEI-related topics and identify areas to enhance our DEI initiatives.

### DEI Trainings

In 2022, we launched an “Inclusive Learning Tour” which included small group sessions in our offices and each department, led by our Chief People Officer. The sessions helped our teams understand different perspectives and that our success has everything to do with how we treat each other.

In 2023, Safehold leveraged DiSC Workplace Style workshops and Situational Leadership training to assist employees in understanding diverse communication styles; referenced in the Employee Development section.

### Internal & External Communication

For Safehold, stringent accountability is essential in addressing potential reports of misconduct through a dedicated, anonymous Hotline. This responsibility involves rigorous investigation, transparent communication, and, where necessary, decisive action to rectify issues and prevent their recurrence. This commitment underscores our dedication to a culture of integrity, where every employee and stakeholder can trust in our commitment to fairness and ethical practices.

### Internal Policies and Programs

With a strong emphasis on the success of the business and the well-being of our colleagues, Safehold employees enjoy an extensive platform of benefits to support health and wellness, the balance of work and home-life, and continual learning and development. Safehold builds programs that emphasize our belief that a strong employee base is critical for growing a strong business.

- Implemented a 12-week, 100% paid paternity program which includes biological, adoptive and foster parents
- Continued to review Human Resource policies to identify inequities
- Evaluated pay trends, pay gaps and internal talent movement across identity groups
- Internally evaluate / track equitable pay and promotional data

Safehold values every individual team member and the multifaceted experiences they bring to our company.

## Measuring Inclusive Leadership and Inclusive Colleagueship

Inclusivity is vital to Safehold's culture, which is why we sought out a way to measure and act on it. We have continued with the following system, implemented in 2021, to anonymously measure inclusive leadership and inclusive colleagueship:

- Individuals with 5 or more direct reports receive Inclusive Leader ratings from their team, rating each leader's personal inclusivity behavior towards their direct reports.

- Individuals with less than 5 direct reports receive Inclusive Colleague ratings, rating each employee's personal inclusivity behavior amongst his or her co-workers.

Inclusivity Performance Ratings are part of our compensation formula as well. Performing well as an inclusive leader and/or colleague contributes to a potentially higher overall rating and increased compensation.

Safehold values every individual team member and the multifaceted experiences they bring to our company.

## Employee Development

With a strong emphasis on the success of the business and the well-being of our colleagues, Safehold employees enjoy an extensive platform of benefits to support health and wellness, the balance of work and home-life, and continual learning and development. Safehold builds programs that emphasize our belief that a strong employee base is critical for growing a strong business.

In 2023, we introduced a robust training initiative focused on enhancing leadership skills and professional development across all levels of our organization. This program offers practical guidance on prevalent leadership styles, ensuring that leaders can effectively align their behaviors with the performance needs of their team members. Through this training, individuals are empowered to actively shape their own development, fostering a common language of performance throughout the organization. Additionally, we continued training to improve workplace communication and behavior by understanding each other's work styles, promoting team cohesion, productivity, and collaboration.

### 2021 – 2022: A Personalized Cohort Approach

We continue to make a wide range of training available for our employees. In 2021 and 2022, we invested in a highly personalized cohort approach. We partnered with

a best-in-class company to provide formal career training, development, and coaching/mentorship. The initial 2021 cohort included 44 employees at all levels within the Company (except the C-Suite) who were diverse by race, gender, level, role, and geographic location. The group's feedback was overwhelmingly positive and we then continued the offering in 2022 with 45 participants, such that ~70% of the Company has now participated in the program.

Cohort participants chose from a set of personal and professional development goals. Each participant was matched with an external coach, based on who they deemed best for themselves, and subsequently participated in coordinated coaching sessions over a span of nearly four months. The range of available goals included developing self, developing others, managing conflict, emotional intelligence, diversity and inclusion, collaboration, performance conversations, commercial acumen, trust and relationships, and operating in the corporate environment.

As a result, 94% of participants attended 4+ sessions on average over the 2 years, total of 768 sessions were completed with 88% of the sessions rated 5/5 on coach quality.

## 2023: DiSC Workplace Style Workshops

DiSC is a personal assessment tool to help improve teamwork, communication, and productivity in the workplace. DiSC is an acronym that stands for the four main personality profiles described in the DiSC model: (D)ominance, (i)nfluence, (S)teadiness and (C)onscientiousness. The model provides a common language people can use to better understand themselves and those they interact with—and then use this knowledge to reduce conflict and improve working relationships. We use these profiles as tools to help ignite cultural change, inspiring lasting behavior changes that positively shape their workforce.

We continued to facilitate training sessions on DISC. The primary goal of this training is to enhance team cohesion, communication, and productivity. DISC is beneficial for teams' understanding of communication challenges and improve collaboration.

### Situational Leadership Offsite

We partnered with The Center for Leadership Studies to facilitate a practical, contingency-focused leadership model comprising four prevalent leadership styles.

The Situational Leadership methodology is based on the relationship between leaders and followers and provides a framework to analyze each situation based on the Performance Readiness Level that a follower exhibits in performing a specific task, function or objective. Then, based on the leader's diagnosis, the necessary amounts of relationship behavior and task behavior are applied and communicated to the follower in order to support their needs and advance development. It creates a common language of performance, allows leaders to effectively drive behavior change and accelerates the pace and quality of employee development.

The Center for Leadership Studies administered offsites for our employees, diversified by race, gender, level, role, and geographic location, covering Situational Leadership and Situational Performance Ownership. 23 employees partook in the Situational Leadership cohort, offering people leaders a consistent method of aligning leadership behaviors with the performance requirements of those being influenced. 16 employees participated in the Situational Performance Ownership cohort, providing individuals with the necessary skills to proactively shape their development by utilizing Situational Leadership techniques to recognize and articulate their performance needs. The power of these two courses gives our employees' a common language of performance, allows leaders to effectively drive behavior change and accelerates the pace and quality of employee development.

Our People Operations team has been certified in Situational training and gone on to teach and facilitate three additional trainings for 22 additional employees. Our objective is to achieve 100% employee leadership training. Currently, 71% of employees from various locations have participated in workshops. We plan to continue internal training until we reach our target.

### Ongoing Trainings

Safehold always encourages all employees to participate in continuous learning to expand employee skills, increase skill and knowledge retention, generate new ideas and perspectives, boost morale and raise overall employee performance. Setting at least one learning goal is required for all employees. We provide all employees with full access to the LinkedIn Learning platform. The platform provides a diverse set of resources and courses for employees to voluntarily sharpen their existing skills or learn about new topics.

## Employee Benefits and Well-Being

Based on continuous conversations with our employees and the need to adapt to life and work due to COVID, we have developed programs to help our employees feel and function at their best.

Employee benefits include:

**OneMedical:** Safehold pays for each employee and their family to have access to a concierge medical service, providing an efficient approach to healthcare through telehealth, coordinated care and quick access to doctor appointments.

**Employee Hardship Loan Program:** Safehold offers a no-questions-asked, interest-free \$5,000 loan to assist employees and their families with financial stability. This program importantly maintains an employee's privacy from start to finish.

**Safehold Wellness Program:** Safehold reimburses employees up to \$300 annually for a wide variety of personal wellness-related expenses. Eligible expenses include, but are not limited to, gym memberships,

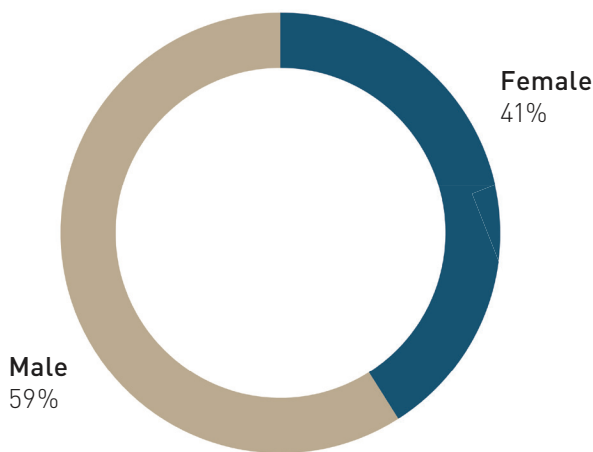
fitness classes, wellness-related subscriptions, meditation apps, workout equipment, personal growth and learning apps, therapy sessions, physical therapy sessions, massages, and spa treatments.

**Comprehensive EAP:** Our employee assistance program assists individuals with personal problems and/or work-related problems that may impact their job performance, health, mental, or emotional well-being.

Safehold employees also receive a number of non-health benefits, including group, supplemental, and dependent life insurance; group short- and long-term disability insurance; 401(k) matching and Section 125 plans; supplemental accidental death and dismemberment (AD&D) insurance; paid vacation, sick days and company holidays; paid bereavement leave; paid parental leave for either parent; tuition reimbursement; and matching donations for charitable gift giving.

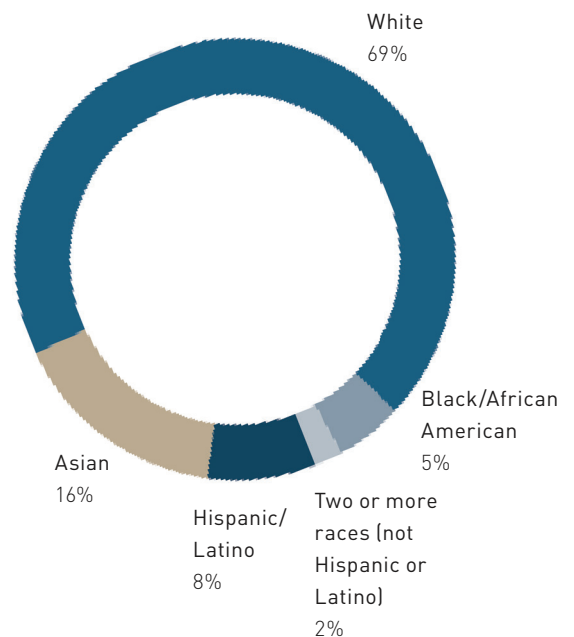
### Gender Diversity

(Data as of 12/31/23)



### Racial & Ethnic Diversity

(Data as of 12/31/23)



## IT and Cyber Security

Safehold's Technology and Business Solutions department completed making us a fully cloud-based organization. Using a data-driven approach to this migration, Safehold created a Document Retention Policy that allows us to reduce the number of documents migrated to the cloud; we eliminated 53% of the documents on our servers in 2023, positively impacting storage-related energy consumption and expenses. As a result, Safehold was able to decommission 40% of its servers, resulting in an equally large reduction in server energy use, energy

cost savings, efficient management of data and data accessibility, and enhancing the speed and efficiency of third party audits.

In 2023, we started the biennial assessment of our cyber program with a cyber security firm. The program covers network/virus protection using a security services provider, monthly phishing tests, periodic employee cyber threat awareness training, and an assessment of our security infrastructure. With the results, we expect to further strengthen our position as a secure company.

## How We Help Others

### Philanthropy

We match up to \$5,000 of charitable gift giving per employee to 501(c)(3) organizations. In 2023, the Company provided \$77,656 in employee matching contributions to 61 organizations. In addition, Corporate contributions totaled \$24,056 to a combination of groups supporting community parks, after-school youth programs, disaster relief efforts, and a local foodbank.

### Volunteer Initiative

In 2023 we kicked off our volunteer initiative with the intention of bettering the lives of those in our local communities through acts of service. We spent a full day volunteering at a local foodbank, preparing 6,097 meals for elderly homebound individuals, alongside a \$4,200 contribution to the organization.

### Supporting Diverse Suppliers

Our onboarding process for all new vendors includes a survey to identify as a women, minority, or veteran-owned company. When possible, we seek to provide business to these groups, and we encourage all our vendors to equally emphasize fairness and equality in their own businesses.

We are taking steps to enhance our supplier diversity. For example, when we identify diverse-owned vendors that aren't yet certified, we will cover the cost for their certification, including paying for a consultant to help them through the certification process. We have seen that most diverse-owned businesses are small- to mid-sized, and both the time and cost of certification can then be significant. This certification assistance program promotes a key DEI objective, namely expanding both our own and others' support of diverse-owned businesses.





## Forward-Looking Statement

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This report may contain forward-looking statements. All statements other than statements of historical fact are forward-looking statements. These forward-looking statements can be identified by the use of words such as "illustrative", "representative", "expect", "plan", "will", "estimate", "project", "intend", "believe", and other similar expressions that do not relate to historical matters. These forward-looking statements reflect the Company's current views about future events, and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement. The Company does not guarantee that the transactions and events described will happen as described (or that they will happen at all).

This report also contains information that is based on a variety of third-party sources, reports and publications ("Third-Party Data"). The Third-Party Data used in this report was not prepared on behalf of Safehold. While we are not aware of any misstatements in such Third-Party Data, we make no representation as to the accuracy or completeness of the information contained in the Third-Party Data.

Such forward-looking statements should, therefore, be considered in light of various risks, uncertainties and assumptions, including prevailing market conditions, risk factors described in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the SEC and other factors. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those expected. Forward-looking statements in this report speak only as of the date they were made, and we do not undertake any obligations to update any forward-looking statements or Third-Party Data, whether as a result of new information, future events or otherwise.

Our filings with the SEC are available through the SEC website at [www.sec.gov](http://www.sec.gov) or through our investor relations website at <https://ir.safeholdinc.com/>.

Merger Transaction / Basis of Presentation: On November 10, 2022, Safehold Inc. ("Old Safe") entered into an Agreement and Plan of Merger (the "Merger Agreement") with iStar Inc. ("iStar"), and on March 31, 2023, in accordance with the terms of the Merger Agreement, Old Safe merged with and into iStar, at which time Old Safe ceased to exist, and iStar continued as the surviving corporation and changed its name to "Safehold Inc." (the "Merger"). For accounting purposes, the Merger is treated as a "reverse acquisition" in which iStar is considered the legal acquirer and Old Safe is considered the accounting acquirer. As a result, the historical financial statements of Old Safe became the historical financial statements of Safehold Inc. Unless context otherwise requires, references to "iStar" refer to iStar prior to the Merger, and references to "we," "our" and "the Company" refer to the business and operations of Old Safe and its consolidated subsidiaries prior to the Merger and to Safehold Inc. (formerly known as iStar Inc.) and its consolidated subsidiaries following the consummation of the Merger.

This report was published on June 25, 2024 and, unless otherwise indicated or the context otherwise suggests, reflects our activities for calendar year 2023.





[www.safeholdinc.com](http://www.safeholdinc.com)