



# 2022

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



# About this report

This is the Annual Sustainability Report of Cool Company Ltd., the report covers our activities for the year 2022.

To effectively measure our performance and progress towards our goals and objectives, we have established a set of Key Performance Indicators (KPIs) for each of our ESG focus areas. These KPIs serve as benchmarks and help us to identify areas where we need to improve. We have implemented a robust monitoring system that enables us to regularly track and evaluate our performance against these KPIs.

To ensure accountability and transparency, progress reports are regularly submitted to our Board of Directors, who provide oversight on our performance and ensure that our actions are in line with the company's values and ethical standards.

By regularly monitoring our performance and using KPIs, we are able to make informed decisions and take corrective actions when necessary to achieve our goals and objectives, while maintaining a focus on safety, environmental responsibility, and ethical conduct.

## ENVIRONMENTAL

Carbon intensity down from **8.48** to **8.11**  
(grams of CO2 per tonne-mile)

**Zero** spills

Oil waste down **3.7%**  
(from 2021)

General waste down **10%**  
(from 2021)

## SOCIAL

**Zero** fatalities

**Cadet program** continued

**Over 95%** retention rate for onshore and offshore employees (in 2022)

LTI down **0.35 to 0.16**

## GOVERNANCE

**Zero** serious marine incidents

**55 hours** training per employee per year  
(on average for the last 4 years)

S&P Global ESG score up from **39 to 45**

## Statement from the Chairman



**Cyril Ducau**  
CoolCo Chairman of the Board

In less than two years, CoolCo has built on its history to become a leading force in LNG shipping. This fast-track transition started with the addition of modern tonnage to our fleet and culminated with the company's listing on the New York Stock Exchange in March 2023.

While some of the vessel transactions were opportunistic, the overall accelerated growth of CoolCo is certainly by design. The demand for LNG tonnage is increasing rapidly together with the role of natural gas in the global energy transition, especially as Europe now looks to import from new sources. That is why CoolCo moved fast to scale up the business.

We will always be focused on creating value for our shareholders, but we will remain equally focused on emission-lowering efforts. CoolCo CEO Richard Tyrell and the management team are committed to finding the right balance between commercial fundamentals and compliance with the efficiency index for existing ships (EEXI), carbon intensity indicator (CII), and carbon taxes (including shipping's forthcoming inclusion in the EU ETS program). Additionally, CoolCo is dedicating resources to go above and beyond the mandated requirements to become the leader in LNG shipping decarbonisation and environmental preservation efforts.

On the social side, CoolCo has created a winning and inclusive culture within the organisation. CoolCo's people are essential to growing the business quickly and safely. We will continue to provide the tools and resources they need to succeed professionally and to ensure their long-term physical and mental well-being are taken care of.

The board and I are confident that CoolCo will use the foundation laid since its formation as a springboard for success.

“The board and I are confident that CoolCo will capitalise on the momentum created this year to establish itself as an ESG leader in LNG shipping.”





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# About CoolCo

CoolCo has a rich history spanning over 50 years in the LNG shipping industry. Since our inception in 1970, we have been at the forefront of innovation and have continuously provided safe and reliable transportation solutions for liquefied natural gas (LNG), with LNG Carriers and Floating Storage and Regasification Units (FSRUs) around the world.

In early 2022, CoolCo underwent a significant transformation that saw us separate from Golar LNG and become an independent owner and operator of LNG Carriers and operator of FSRUs. This new phase of our journey was accompanied by a substantial investment from affiliates of Eastern Pacific Shipping (EPS), a leading privately-owned shipping company.

Today, CoolCo is a pure-play LNG shipping company with a renewed focus on leveraging our extensive industry experience and expertise to meet the evolving needs of our customers. With the support of EPS, we are well-positioned to capitalize on new growth opportunities and expand our operations.

Our fleet is comprised of 29 LNG carriers and FSRUs, with 12 of the LNG carriers owned by CoolCo in 2022 (one of which was sold in March 2023). We take pride in our commitment to safety, quality, and sustainability and employ approximately 1,550 people both at sea and on land. At CoolCo, we are dedicated to providing our customers with the highest level of service and are committed to being the leading LNG shipping company in the world.

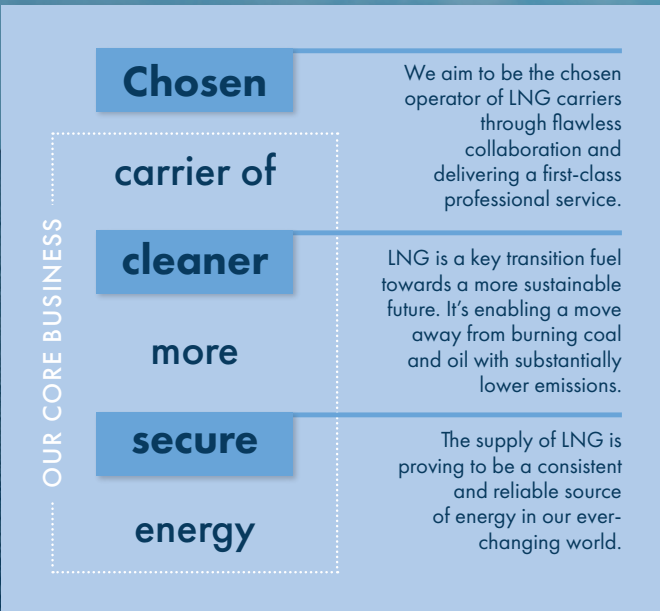
**A TRACK RECORD OF INNOVATION**  
Eastern Pacific Shipping and Golar have always been fresh thinkers with both maintaining lean organisational structures that enabled rapid development of new ideas. CoolCo continues this tradition with a specific focus on LNG shipping.



# CoolCo vision and values

CoolCo is a value driven company. We actively use our values as a guide in our pursuit to reach our vision.

## OUR VISION



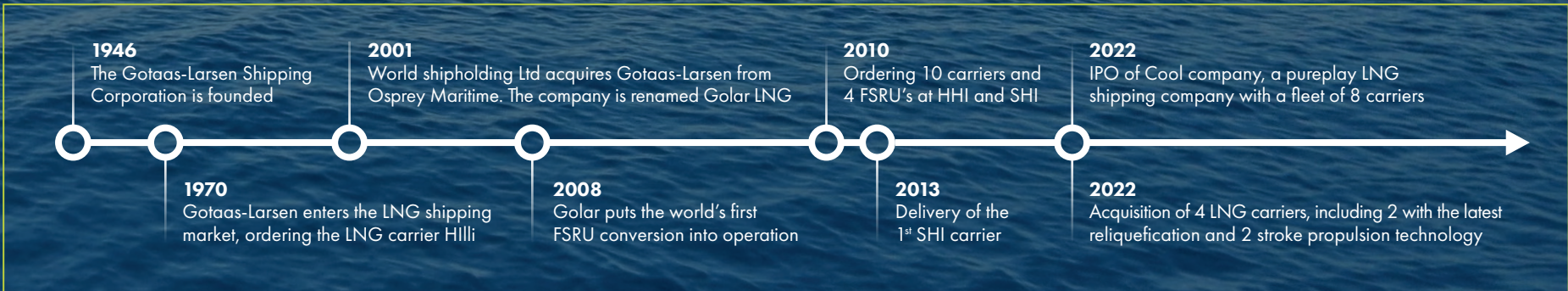
## OUR VALUES

**Care**  
We put the needs of people and the environment first for a safe and sustainable future

**Collaboration**  
We thrive by working together to deliver the best results

**Professional**  
We commit to high standards, deliver on our commitments, and strive to be better

# CoolCo's history in brief:





## Maintaining safe operations through the pandemic – and meeting demand for energy security at times of war

Responding to the COVID-19 pandemic in 2020, management's focus was to keep our people and their families safe. This has also been the main focus for 2022, and management has continued to place employee wellbeing and safety ahead of cost considerations.

Whilst the COVID-19 pandemic continued in early 2022, as part of the global energy supply chain, our operations remained uninterrupted. We are proud of the response of our employees – despite the extraordinary circumstances they have taken extra care of each other in challenging times and have gone to great efforts to continue our operations. We believe seafarers are one of the “unsung heroes” of the pandemic. Despite playing a crucial role in ensuring the continuous supply of essential goods, such as LNG for energy, these workers are not officially recognized as key workers, and they have been forced to endure extended periods at sea because of government regulations that limit crew changes.

In response to the pandemic, we identified three key priorities which guided us throughout the year:

### 01 KEEP OUR PEOPLE, BOTH AT SEA AND ON SHORE, SAFE

Even more so in these challenging and uncertain times, safety was our top priority. We implemented new measures to ensure that we kept our seafarers, staff, their families and our wider communities safe.

- We screened all our seafarers to identify higher risk conditions for COVID.
- We restricted access to our vessels to reduce the risk of transmission to

crew. This included working with Port Authorities to ensure that the minimum number of officials came on board the ship, and that they did so in a safe manner.

- We provided all our shore-based staff with the equipment required to successfully work from home.
- From January 2022, all personnel joining a vessel must be vaccinated.

### 03 CONTINUE OUR OPERATIONS AND SERVE OUR CUSTOMERS

In addition to protecting our people, we ensured that we continued to deliver on our commitments to customers and kept the fleet operating. The pandemic caused widespread disruption to supply chains, but the FSRU vessels we manage continued to operate and our LNG carriers continued to sail.

There are many examples of our teams finding creative solutions to the challenges presented by the pandemic,

including implementing remote solutions for maintenance and mandatory ship audits, supporting our suppliers and flexible planning to minimise disruption.

While the pandemic had less of an effect on our operations as 2022 progressed, the conflict in Ukraine brought new challenges. These especially affected our seafarers from the region. We continue to support our personnel wherever possible at this difficult time.

### 02 LOOK AFTER OUR SEAFARERS AND THEIR FAMILIES DURING EXTENDED PERIODS AT SEA

Crew changes continued to be severely restricted throughout the year. This led to extended stays at sea for some seafarers, who stayed onboard far beyond their contracts. Again, we worked tirelessly to provide crew changes, but continued to face challenges from changing local requirements, quarantine restrictions and the significant reduction in flights. In certain cases, we resorted to chartering flights to affect a crew change. We were able to deliver crew changes for all our vessels, but we are aware that seafarers employed by other companies were not so fortunate.

This crisis also impacted crew members who were unable to start their contracts. CoolCo operates in compliance with all maritime standards and the Maritime Labour Convention. In addition, CoolCo offered financial support to all crew unable to join as scheduled, helping them and their families.

# Sustainability Strategy

We believe that LNG is a key transition fuel and a bridge to a cleaner energy future. In the transition phase we therefore support the use of LNG to replace more carbon intensive and particulate laden fossil fuels. We are investing in our assets to improve efficiency and reduce emissions. We are also participating in industry initiatives to reduce emissions and actively sponsoring companies with promising technology.

#### COOLCO'S SUSTAINABILITY PRIORITIES

**Our business, and sustainability priority, is to ship energy to customers and countries across the globe in a safe and reliable manner.** In these times of turmoil, the supply of LNG has become critical to securing living standards and stability in several parts of the world.

In 2020 we launched a cross fleet initiative to reduce emissions by close monitoring and implementation of follow-up actions. During 2022 we initiated a fleet upgrade program to further reduce emissions in line with set targets and the IMO's GHG 2030 strategy.

Renewables alone cannot in a timely manner satisfy demand currently met by hydrocarbons. Low carbon and carbon free alternative fuels must therefore be identified and developed into scalable, cost-effective solutions. We are exploring such alternatives together with Eastern Pacific Shipping.

Until alternative solutions have been identified and scaled up, natural gas is immediately able to displace more carbon intensive fuels such as coal and oil - available on a scale sufficient to support base load energy requirements, and a flexible, reliable companion to intermittent renewables. This is what makes natural gas and LNG a transition fuel of choice.



# ESG Governance and Materiality

“The Board and leadership team has direct ownership over how the business executes our sustainability strategy. It is responsible for overseeing key ESG improvement initiatives and our response to climate-related risks and opportunities.”

At CoolCo, we take our responsibilities towards sustainability and transparent ESG reporting seriously. Our governance framework applies equally to executing our strategy in support of the energy transition, monitoring our ESG performance, and managing climate-related risks.

Governance of sustainability at CoolCo is overseen by the Board and the leadership team. This integrated approach ensures our ESG priorities are embedded within our strategic decision making, performance management, planning and risk management.

## Policies and compliance

We have various policies and procedures that govern our ESG practises, such as our **Environmental, Security, Health and Safety, Risk Management, Speak Up and Anti-Bribery and Anti-Corruption policies, just to mention a few.** We update our policies regularly and provide training on them to our staff.

Compliance with our policies and procedures is fundamental to our success, which is why we undergo regular compliance audits, both internal and external, to give management and the Board comfort that they are followed and are operating as intended. In 2020 we engaged an independent third party to provide assurance over the completeness and accuracy of our emissions data. In 2021 we expanded the scope of this assurance to cover all reported ESG data.

## Identifying and addressing sustainability risks

**Sustainability and the opportunities arising from the energy transition are key parts of our strategy.** Key risks to these objectives, and climate and sustainability related risks more broadly are therefore already embedded in our risk management processes.

The Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) established recommendations for voluntarily reporting such risks and opportunities in 2017. We believe these disclosures are important because they allow stakeholders to understand our response to key climate issues. We disclose information on our governance and risk management practices to align with TCFD expectations in those areas. Going forward, we will further align our reporting to the full set of TCFD disclosure recommendations.

Our Climate Related Risks and Opportunities can be seen in Appendix 3.



### CoolCo board

Our Board provides oversight of ESG projects, KPI performance and external reporting. The Board discusses ESG at least twice per year and management provides updates at every meeting.



### Operations

We have a cross functional Committee chaired by the Chief Operating Officer focusing on health & safety, the environment and energy efficiency of the LNGC and FSRU fleet. The Committee monitors priority aspects, improvement plans, KPI delivery and regulatory compliance.

- Onboard safety and environmental committees are chaired by the vessel Master. They continually review the performance of the vessel against set KPIs, delivery of action plans and identify opportunities for improvement.



### People and communities

We have a working group led by the Head of HR and Head of Crewing which brings together shore and sea-based programmes. It focuses on company culture, diversity, wellbeing and development and coordination of our community engagements.



### Governance & ethics

This working group is chaired by our General Counsel and is responsible for overseeing CoolCo's ethics and compliance programmes. This includes conduct training, our anti-bribery and anti-corruption programme and supply chain human rights management.





## Focusing on what matters most

**Our approach to sustainability is built upon what matters most to us as an organisation and where we can make a meaningful difference.**

As mandated by our Board, CoolCo is committed to taking an impact-based approach to setting sustainability goals, and making regular, ongoing ESG disclosures in line with our reporting guidelines. This means that we do not apply

a specific overall reporting standard but focus on the ESG issues that matter most to CoolCo, are relevant to our global footprint and are of most interest to our stakeholders.

To determine these topics, a comprehensive “materiality” assessment was conducted in 2019. The Global Reporting Initiative (“GRI”) principle of materiality was applied, defined as topics that reflect significant economic, environmental and social impacts and/or substantively influence stakeholders’ assessments of the organisation’s ESG performance.

### Our assessment included:

- Internal workshops across our business
- External engagement with key sustainability stakeholders
- Assessment of our existing internal reporting
- Benchmarking against proxy peers and other public reports documenting key issues for LNG
- Review of applicable industry and ESG standards such as SASB, GRI and IPEICA

This led to the development of the four key focus areas outlined on page 13, and the linked KPIs to measure our performance shown on page 15 and 17.

### Determining the contents of this report

The content and quality of this report is driven by a focus on the most material issues identified. It incorporates guidance from major sustainability and industry specific reporting guidelines, as well as leading ESG rating agencies, including those listed above and Sustainalytics, S&P Global, and Bloomberg.

### In determining the scope of our reporting, we have considered the following principles:

- For emissions data, whilst operational and financial control resides with our charterers, we disclose emissions on all vessels owned by CoolCo entities. Emissions data for vessels managed by us, but owned by other shipowners is excluded.
- CoolCo continues to be responsible for health, safety, security, waste, spills, and employee retention matters for all vessels managed by us, as well as for our own.

- The GHG Protocol is followed for greenhouse gases, however we consider Scope 2 (indirect emissions from purchased electricity) to be immaterial (less than 1% of scope 1 emissions) compared to the emissions from our operational vessels and assets.

The detail behind the calculations can be seen in Appendix 2 of this report and our methodology statement can be found on our website.



## WE SUPPORT



## United Nations (UN) Sustainable Development Goals

Pursuant to our own goals, CoolCo is proud to support the principles of the 2015 United Nations Paris Agreement and the wider UN sustainability agenda, including the associated Sustainable Development Goals (SDGs). While CoolCo supports all of the SDGs, we identified four goals that align most to our strategy and sustainability priorities:



### 7 AFFORDABLE CLEAN ENERGY

- LNG provides a diversified supply of energy that supports security, complements renewables and enables the green transition. Access to LNG is an important feedstock for industry and the key to replacing dirtier coal and oil in power generation through a “gas plus renewables” mix.



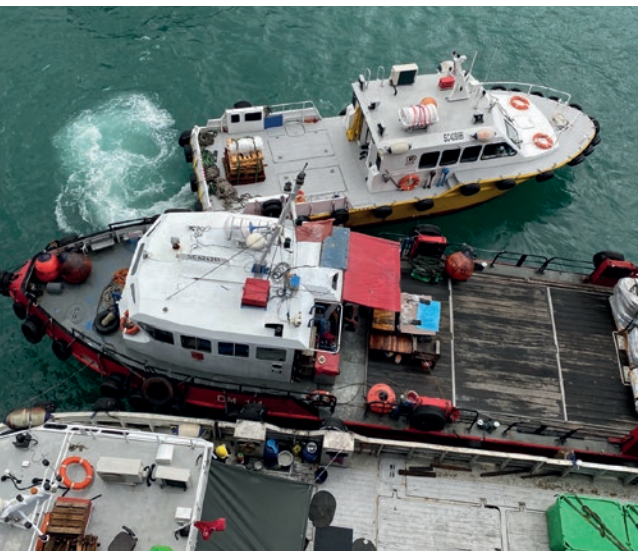
### 8 DECENT WORK AND ECONOMIC GROWTH

- Safety is our number one priority, both in our own operations and within our supply chain.
- Respecting human rights in all aspects of our business, across our own staff, contractors and the supply chain.
- Creating local jobs and procuring locally wherever it makes sense to support local development in the countries in which we operate.



### 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Setting challenging carbon reduction targets for all of our existing assets and continuing our innovative approach to the design of new assets to ensure an even smaller carbon footprint.
- Participation in an industrywide initiative focused on technical solutions to methane slip from LNG fuelled engines.
- Joint innovation program with EPS that includes actively sponsoring companies with promising technology.



### 13 CLIMATE ACTION

- LNG is the cleanest fossil fuel. As a proven technology, it can replace dirtier fuels today and support the energy transition as a companion fuel to renewables. We support this transition by providing safe and efficient LNG transportation.
- We take action to minimise our environmental footprint, focused on fuel use and efficiency to drive down carbon and other air emissions.

## CoolCo's four key focus areas

CoolCo conducted a series of internal and external workshops to determine which Environment, Social and Governance topics are most important and significant to our employees, customers and other stakeholders. Based on the results we were able to identify four key focus areas.



### Governance and Business Ethics

Committing to principles of transparency, human rights, anti-bribery and anti-corruption.



### Safety and Security

Maintaining safety through learning and cooperation, fostering sound safety culture, thus minimising risk.



### Environmental Impact

Operating responsibly to make commercial decisions that limit our environmental footprint. High focus on optimising vessel performance to minimise fuel consumption and emissions. Adoption of latest technology when acquiring new vessels and dry-docking existing vessels.



### People and Community

Create a dynamic and supportive working environment that fosters initiative and personal development.

### Richard Tyrrell CoolCo CEO



CoolCo's ESG focus areas are aligned with our values of Care, Collaboration and Professionalism.

We have an active program of investments and initiatives that have resulted in our AER dropping from 8.48 in 2021 to 8.11 in 2022. We expect to consolidate this improvement in 2023 before a step change in 2024/25 when our older vessels are upgraded as part of their scheduled dry-dockings.

A complex set of regulations and policies that will act as essential triggers and game changers for the industry will be introduced from 2023. These include EEXI (Energy Efficiency Index), CII (Carbon Intensity Indicator) and EU ETS (Emissions Trading System). CoolCo's targets comply with these rules and seek to go further where possible.

CoolCo has worked closely with EPS on ESG strategy since EPS became its principal shareholder in early 2022. We share similar values and have benefitted from exchanging ideas and implementing common programs. EPS was one of the first ship managers to order LNG powered ships and we have the collective goal of making the most of this cleaner, more secure form of energy. In addition, CoolCo is replicating EPS's welfare program for seafarers, which is one of the most comprehensive in the industry. Our aim is to make the most of our combined strengths while respecting good governance and always working in the interest of every shareholder.





## 2030 Ambitions

We have developed a range of bold but achievable goals designed to make a positive impact on our ESG performance by 2030. These reflect our belief that whilst it is not possible to predict exactly what form the energy transition will take, or how our sector will react, action is required now to meet decarbonisation ambitions.

### GOVERNANCE AND ETHICS



We are committed to maintaining the highest standards of governance and ethical conduct wherever we are in the world. We acknowledge the challenges in our industry and take action to ensure they do not exist in our organisation or supply chain.

#### Specifically, we focus on:

- Ensuring human rights are respected in our supply chain.
- A robust system to comply with anti-bribery and corruption laws and regulations and maintaining our culture of compliance.



Ensuring human rights are  
**respected**



### HEALTH, SAFETY AND SECURITY



Safety is our number one priority. We want to protect our people, their families and our communities and be the preferred employer.

#### Our targets are to:

- Achieve zero fatalities and sustain a lost-time injury frequency below 0.80 per million exposure hours.
- Maintain a “best-in-class” safety framework compliant with the highest standards in our industry.
- Develop and maintain a mature safety culture.

 **Zero**  
fatalities

LTIF below  
**0.80** 





## ENVIRONMENTAL IMPACT

We continue to explore improvements in efficiency and emissions reductions that will help us exceed the IMO's reduction targets. We have made significant progress towards the 2030 target.

### Our targets are to:

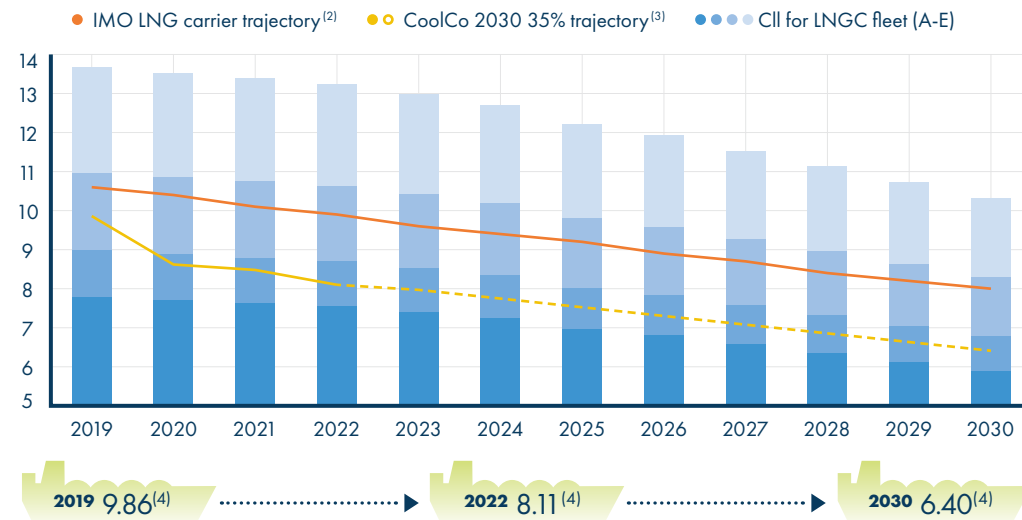
- Deliver emission intensity reductions well beyond the IMO target.
- Deliver a further 50% reduction in emissions intensity by 2030, based on the annual efficiency ratio against our 2008 performance, or 35% based on our 2019 performance.
- The fleet average AER shall meet a CII rating of B or better.
- Proactively share efficiency data with our charterers and work closely with them to maximise the use of boil off gas, which reduces total lifecycle emissions for the LNG we transport.
- Take action to reduce methane emissions arising from "methane slip".

## Waste and spills

We are committed to reducing our total environmental footprint, not just emissions. Our targets include:

- Zero serious environmental events.
- Reducing total waste (oily and non-oily) by 20% compared to our 2019 benchmark.

## Reducing the carbon intensity of our LNG carrier fleet<sup>(1)</sup>



- Modern fleet of TFDE ships, delivered in 2014 and 2015 set to benefit from upgrade program during 2024/25 dry-dock cycle.
- Addition of two 2-stroke 2020 and 2021 built ships in 2022.
- Fleet delivers a 15% improvement in 5 years.
- Wide range of fleet initiatives undertaken, including speed optimisation, engine load management, data-based voyage planning and trim management.
- Technical and operational improvements being planned in conjunction with charterers.
- EEXI will impact older vessels in global fleet during this period.



This equates to a 45% reduction compared to 2008 estimates, exceeding the IMO target (40%)



CoolCo will reduce fleetwide carbon intensity<sup>1</sup> by 35% by 2030 compared to 2019

(1) Emissions intensity based on AER.  
(2) IMO trajectory estimated based on IMO 4th Greenhouse Gas study. The trendline reflects IMO's guidance that the global fleet saved on average 21% between 2008 and 2018.

(3) Golar's AER is actuals as reported in our predecessor from 2016 – 2021. All other dates are estimates and projections.  
(4) AER defined as CO2 emissions per transportation work (dwt x transported distance).



## OUR PEOPLE

We aim to be a preferred employer through our culture as a learning organisation and our focus on the development of our staff.

### Our target is to:

- Achieve a retention rate of 95% for crew and 90% for office staff.

### Retention target

**95%** Crew  
**90%** Office staff



## People and communities

We want to protect our people, their families and our communities and be the preferred employer.

As our business develops, so too does our community involvement. We take our role seriously, and aim to have a lasting positive impact in the development of our communities through:

- Charitable work to support community growth.
- Ongoing engagement with community organisations in the areas where our employees live and work.



“Our ambitions for CoolCo require adoption of a best-in-class ESG policy that clearly states our agenda and targets and provides our stakeholders with a roadmap showing how these will be achieved.”

# Our key focus areas



## FOCUS AREA GOVERNANCE AND BUSINESS ETHICS

We are committed to the highest standards of governance and ethical conduct in everything we do. We support actions on the key issues in our industry and throughout our supply chain.

Our Board is responsible for the overall leadership of CoolCo and plays an important role in ensuring that we conduct our business responsibly and ethically, with a focus on sustainability and strict adherence to all regulations.

### Our board

Our Board operates through a governance framework with clear procedures, lines of responsibility and delegated authorities to ensure that our strategy is implemented, and key risks are assessed and managed effectively.

As of December 31, 2022, our Board consisted of five Directors, all of whom are considered independent in accordance with stock exchange rules. The percentage of women on our Board was 20%.

### Our board committees

The governance structure differentiates governance and management functions from oversight, control, and strategic definition functions. Our Board takes collective responsibility with the support of a dedicated Audit Committee consisting of independent board members. Related party transactions are reviewed by a special committee comprised of non-conflicted directors. Our executive team oversees day-to-day operations and reports to the Board on these. Information regarding our Board, our Code of Business Conduct and Ethics and our Audit Committee Charter can be found on our website. We are always looking for ways to enhance and improve our governance.

### Anti-bribery and corruption

We have zero tolerance for bribery, corruption and other financial crimes and we explicitly prohibit behaviours that are not consistent with fair, respectful and decent business practices. A copy of our Anti-Bribery and Anti-Corruption Policy can be found on our website. The Company complies with all applicable anti-bribery and anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and the Bermuda Bribery Act.

### Suppliers

We require our suppliers to adhere to our Code of Business Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy and our General Terms and Conditions. Prior to engaging with suppliers, we conduct risk-based, third-party due diligence on matters relating to ethical conduct including Anti-Bribery and Anti- Corruption, Sanctions and Trade Restrictions, and Human and Labour Rights. We do Financial Crime Search frequently to control the compliance of our suppliers.





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## CoolCo's approach to compliance

We understand that our industry has historically been subject to investigations and ethical concerns, particularly regarding bribery and corruption. This drives our focus on compliance.

### 01. TOP LEVEL COMMITMENT

Our Code of Business Conduct and Ethics and our Anti-Bribery and Anti-Corruption Policy are clear, publicly available, and express our zero-tolerance for breaches of our high standards.

### 03. REGULAR TRAINING

All staff receive conduct and ABC training on induction. This is supplemented by advanced face-to-face training for those considered to be most exposed, and annual refresher training for all staff.

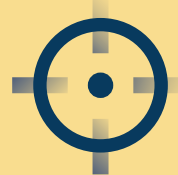
### 05. AUDIT & COMPLIANCE

We regularly audit our key controls and procedures, and monitor compliance across the business.

01.



02.



03.



04.



05.



### 02. RISK BASED FOCUS

We have adopted a risk-based focus for our operations with special focus on high risk areas and countries.

### 04. EXTERNAL PARTIES

We require all consultants and agents to abide by our Code of Business Conduct and Ethics.

## Speak up

We want our employees, contractors, vendors, third parties and other stakeholders to feel comfortable about speaking up whenever they have any concerns or issues of non-compliance. Therefore, a copy of our Speak Up Policy is available on our website and we have a Speak Up Hotline, managed by an external service provider. The Speak Up Hotline acts as a vehicle for employees, third parties and others to report anonymously, without risk of retaliation, potential violations of any of our policies.

Concerns and enquiries can be raised through multiple channels: with line managers or other senior leaders, supporting teams, including human resources, legal, ethics and compliance and through work councils.

## Compliance with laws and regulations

Our industry is highly regulated under the international laws of the IMO, ship classification rules and others. Our vessels are audited regularly by our customers, Flag States, Class and Port State Control to verify compliance. In 2022 we did not violate any laws or regulations.

## 2022 progress and results

- Initiated the process of being SOX compliant in our own right now that we are no longer part of Golar LNG.
- Established an independent Board of Directors and sub committees to ensure appropriate governance oversight.
- Implemented new governance and compliance policies to align with US listing requirements.

05



“CoolCo is committed to the highest standards of governance and ethical conduct in everything we do. We support action on the key issues in our industry and expect all our staff and anyone working with CoolCo to uphold our high standards.”





## FOCUS AREA SAFETY AND SECURITY

**We have a mature safety culture – meaning a workplace which is injury free. Our ambition is integral to CoolCo’s company culture.**

Our mature safety culture is founded in our value “Care”.

Care for our colleagues is the fundamental building block for establishing a good and safe working environment because:

- When we care, we nurture trust.
- When we have trust, we dare to speak up about concerns, potential hazards, failures and more.
- When we speak-up, we aim to initiate corrective action before the situation escalates.

We know that it is impossible to create a system where failure never happens, but we believe that serious issues can be prevented by focusing on understanding why minor issues occur and learning from them.



**The safety and security of our colleagues and everyone who works with us is our main priority. Experience, cooperation and learning are crucial to achieving this.**

### Delivering on an ambition of a mature safety culture

**We pursue this ambition through four key areas:**

- Building a company culture which reinforces safety awareness among our employees.

- Ensuring practical and well-considered risk management onboard and onshore.
- Learning through analysis of incidents and near misses.
- Continuous improvement of procedures and routines, including skills of personnel and emergency preparedness.

### Safety through experience, collaboration and learning

**We believe that a transparent and in depth understanding of our culture is critical to keeping our staff.** We have worked hard to foster a culture based on the concepts of experience transfer and being a learning organisation.

Put simply – we view mistakes and issues identified as pivotal learning opportunities. We believe that discussing mistakes, learning from them and cooperating through sharing experiences with other people/vessels ensures that our team is stronger and safer as a result.

We monitor our culture through close follow-up with our people. Alignment vs. our values is included in all of our people and crew processes.

We take a holistic approach to our assessment of operational risks. CoolCo operates a sophisticated risk management system that enables seafarers to actively identify and raise concerns which may have an impact on safety, the environment, our assets or our reputation.

We are organised into fleet teams, with representatives from all stakeholders involved in operations, to ensure flawless safe, cost-efficient operations and no lost opportunities. The fleet team support and coach the shipboard management team to perform at their best.

## Maintaining high safety standards

Our ambition is to remain best-in-class when it comes to safe operations and safety culture, which we control through a robust safety management system - a management system we continuously improve and simplify. We are certified according to the ISM Code as well as to the ISO9001, ISO14001 and ISO45001 systems. Additionally, we are fully compliant with other relevant industry standards. We conduct rigorous internal audits of all of our vessels and offices against our safety framework. We are also regularly audited by flag states, port states, charterers, and other stakeholders to ensure that our vessels meet or exceed all required standards. CoolCo fully supports the Oil Companies International Marine Forum (OCIMF) Ship Inspection Report (SIRE) program, and all our vessels are inspected 2-3 times annually by OCIMF members, with inspection results published on the OCIMF website. Biannually CoolCo updates the online TMSA (Tanker Management Self Assessment) submission, and we are regularly audited by oil majors on our TMSA submission.

## Security

Shipping involves an element of inherent security risk, especially in high-risk areas for piracy. Detailed risk assessments are jointly carried out by vessel masters and office representatives ahead of a vessel’s transit through such an area.

“ Our mature safety culture is founded in our value “Care” and maintained through a robust management system. ”

## Cyber security

IT cyber security has previously been managed according to ISO 27001 and the plan is to re-certify the company in 2024.

Cyber security has been strengthened in 2022 by adopting to DNV Class Notation Cyber Secure and IEC 62443. The main changes are:

- Revised organisation and hired more cyber security resources.
- Revision of the Operational Technology (OT) cyber security management system.
- Training of all employees by e-learning refresher.
- Change of concept and tool for IT cyber SOC (security operation centre).





## CoolCo integrated management system

CoolCo's integrated management system is based on a PDCA (Plan-Do-Check-Act) continual improvement cycle, and the Safety Management System ("CIMS") is certified to ISM Code, ISO9001, ISO14001 and ISO45001.

We focus on having a robust system that is easy to understand and supports our employees in their daily work. In addition, CoolCo:

- Provides comprehensive training to our employees to ensure that we are able to meet our objectives and targets.
- Implements extensive audit and assurance activities to verify compliance with the requirements.

“We focus on having a robust system that is easy to understand and supports our employees in their daily work.”

## Act

### Initiation and follow-up improvements

### Lessons learnt & performance feedback

## Check

### Monitor, measure and analysis

- Internal and external audits
- Processing of Improvement proposals and comments
- Performance monitoring

## Plan

### Risk assessments

- Task risks (PTW)
- Voyage planning
- Operational risks

### Management of Change

### Plan drills & audits

## Do

### Reporting

- Incidents
- Defects
- CIMS/PMS comments
- Improvement proposals
- Near miss reports
- Non-conformity

### Risk management

- Comply to procedures
- Training & Drills
- Toolbox talk & risk mitigation

## LEADERSHIP & CULTURE

CIMS

SUPPORT

“The management system was streamlined during 2022. This resulted in a 75% reduction in document numbers, ending with less than 1,500 documents.”

## 2022 progress and results

In 2021 COVID 19 presented a significant challenge to vessel operations. In 2022 the effect of the vaccines bore fruit.

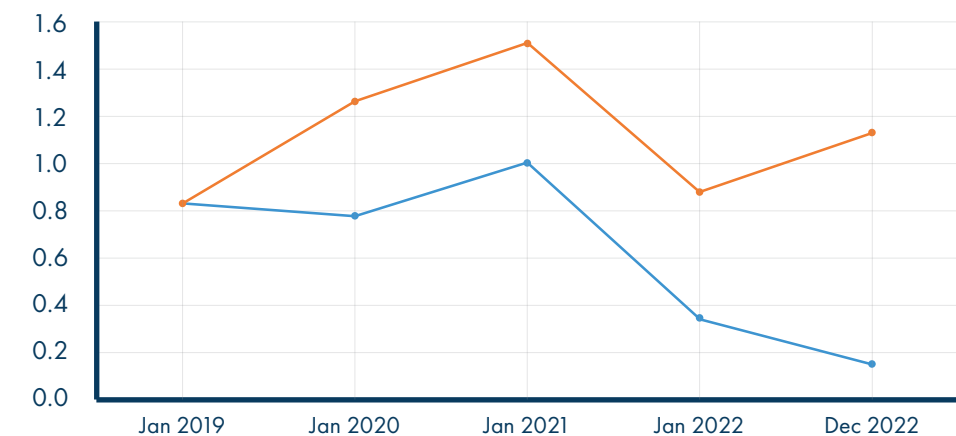
CoolCo supported the vaccine program and with a fully vaccinated crew was able to downgrade the onboard COVID risk level. It was no longer a life-threatening situation with positive COVID cases on board but it remained a commercial challenge. In 2022 we had several onboard Covid infections none of which resulted in any serious impact to crew health. The use of remote audits and inspections was reduced, and most ship visits were done in person rather than remotely.

- No fatalities.
- Lost time injury frequency decreased from 0.35 in 2021s to 0.16 in 2022. The one LTI in 2022 happened during leisure hours and not during a work activity.
- 2021 total recordable case frequency was 0.88 and in 2022 it was 1.13. If only work related cases are included, this falls to 0.64 in 2022.
- CoolCo's safety management system was streamlined during 2022. This resulted in a 75% reduction in document numbers, ending with less than 1,500 documents.

## LTIF and TRCF illustration

● LTIF ● TRCF

### Safety Statistics 2019-2022







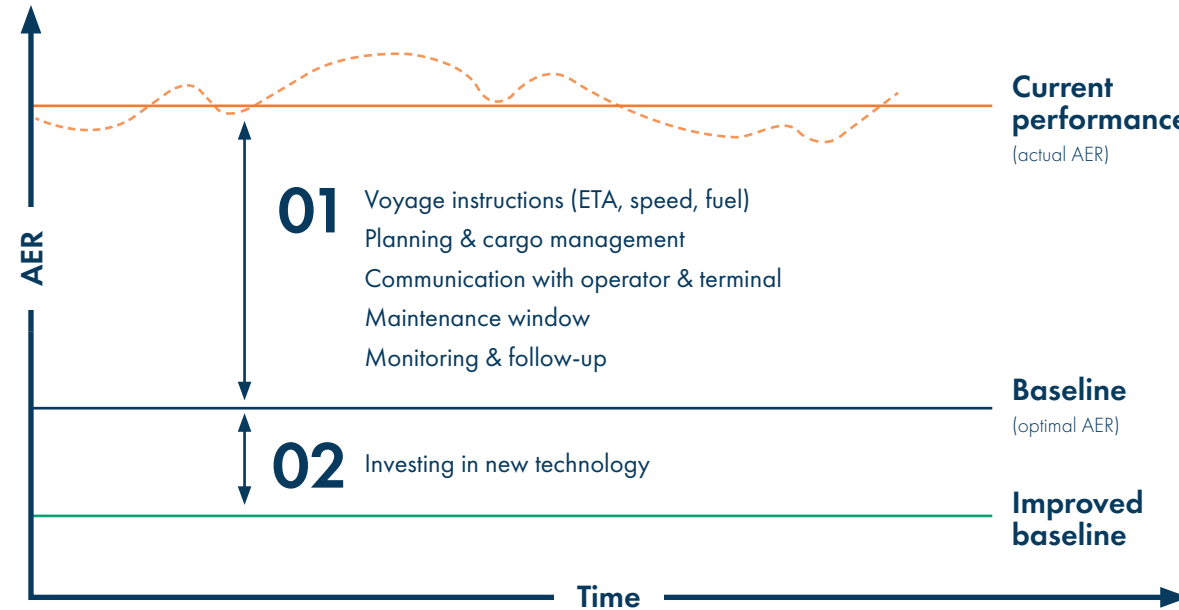
## FOCUS AREA ENVIRONMENTAL IMPACT

**We are committed to being a responsible operator. This means transparently assessing our environmental impact and taking action to improve energy efficiency and minimising our environmental footprint.**

At CoolCo, our ambition is to be an industry leader in terms of understanding our environmental impact and working towards reducing air emissions and energy consumption. We closely monitor the impact of our vessels on an intensity basis to maintain focus on efficiency and seek out initiatives which can help us improve.

Most of our environmental impact comes from emissions produced by fuel used onboard – so our priority is to increase energy efficiency to deliver more output for less fuel.

Based on vessel performance data we can estimate the optimal AER baseline for our carriers. As illustrated below, collaboration with charters is more important than new technology that can be retrofitted to an existing vessel. Initiatives in category 1 can have the potential for up to 5 times the impact on our AER performance than initiatives in category 2. Exploring this potential with charterers is a focus, even if commercial considerations can sometimes limit the upside.



## De-carbonisation targets

### IMO targets:

The IMO has set a target for shipping to reduce CO2 emissions intensity by 40% by 2030 compared to a 2008 benchmark. To put this into perspective, we estimate our performance in 2008 equated to an AER of 13.4 meaning that we have already reduced emissions by approximately 40% by 2022 year end. Since 2019, CoolCo and its legacy fleet delivered a 18% reduction in emissions.

IMO MEPC 80 will be held in July 2024. One of its objectives is to define new GHG reduction targets for 2030, 2040 and 2050. CoolCo is ready for more ambitious targets for 2030 and 2050 that could come about from a steeper CII trajectory from 2026. Under such targets, Shipowners including CoolCo would need to initiate new GHG reduction measures in order to remain CII compliant.

### CoolCo targets:

We strive to reduce our emissions beyond current targets set by the IMO. In 2020 CoolCo launched an Energy management initiative that sought to reduce fuel consumption and air emissions as far as possible by addressing operational issues. Based on real time data from the fleet, performance benchmark indicators were developed, as outlined in “Optimise vessel technical condition and operations”. Using this we can predict the fleet AER trajectory based on planned vessel emission efficiency upgrades, fleet renewal and coming requirements.

We have set a target to reduce the AER by 35% by 2030, relative to 2019. A best-case target, if the market driven initiatives reduce the charterers’ impacts, is 45% AER reduction by 2030.

EUA cost (€/ton)	60	100
Add-on EUA OPEX cost/day (\$)	6,500	10,500
Fuel cost/day (15 \$/mmbtu)	60.000	
Round trip add-on cost 50% coverage (\$)	140,000	240,000



### The best-case decarbonisation target is based on the impact of following market-based measures:

EU ETS, starting in 2024 the EU will include shipping in their emission trading system. The system is based on emission permits (EUAs) that allow companies covered by the EU emissions trading scheme to emit a certain amount of CO2e. EUAs can be bought and sold at EU sanctioned auctions or on the market, and the variable market price of EUAs reflects the cost of reducing emissions. Presently only tank-to-wake CO2 emissions are included, but as of 2026 CH4 and N2O emissions are added.

Over the next few years, we expect this to result in a significant increase in charterer interest in and emphasis on environmentally friendly operations. See example below.

FuelEU Maritime, in 2025 EU will introduce a requirement to the yearly average well-to-wake GHG intensity of energy used on-board. It will be required that ships have to gradually reduce greenhouse gas (GHG) emissions

by cutting the amount of GHG emissions embedded in the energy they use in the period 2025-2050. This is intended to drive the uptake of low- and zero-emission fuels. The scheme will include emission of CH4 and N2O as well and will in contrast to the ETS be based on well-to-wake emission factors.

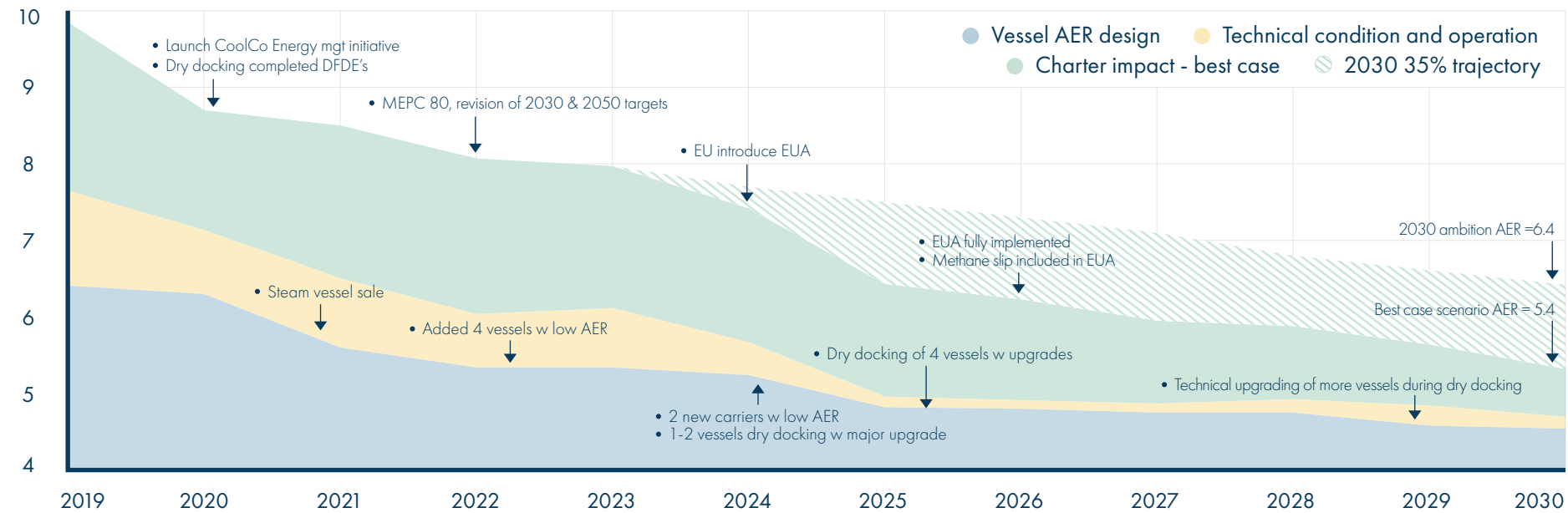
For LNG carriers we believe FuelEU Maritime will result in more use of LNG as a fuel for ballast voyages.

GHG Intensity Fuel Standard (GFS) is a scheme similar in principle to the FuelEU Maritime that may be introduced by IMO, likely earliest in 2027. The decision is expected to be made at MEPC 80 in July 2023.

GHG Levy is scheme considered by IMO imposing a unit-based cost on GHG emissions. There is interest in coupling this with a rebate mechanism giving credit to energy efficient vessels with low GHG emissions. The decision is expected to be made at MEPC 80 in July 2023 along with decisions on the proposed GFS and may be introduced earliest in 2027.



## Important measures that will improve or impact our environmental performance\*



### De-carbonisation strategy

We have outlined a de-carbonisation strategy based on those aspects of vessel performance that we can influence. The areas are:

A

#### Optimise vessel technical condition and operations:

- Vessel condition: to always ensure that vessel engines and hull and propellers are in the best possible condition.
- Minimise onboard energy consumption: e.g. hotel load, number of engines running etc.

B

#### Collaboration with charters:

To encourage use of the safest and most energy efficient route, speed and fuel. The resultant emissions of a vessel are substantially under charterer control.

C

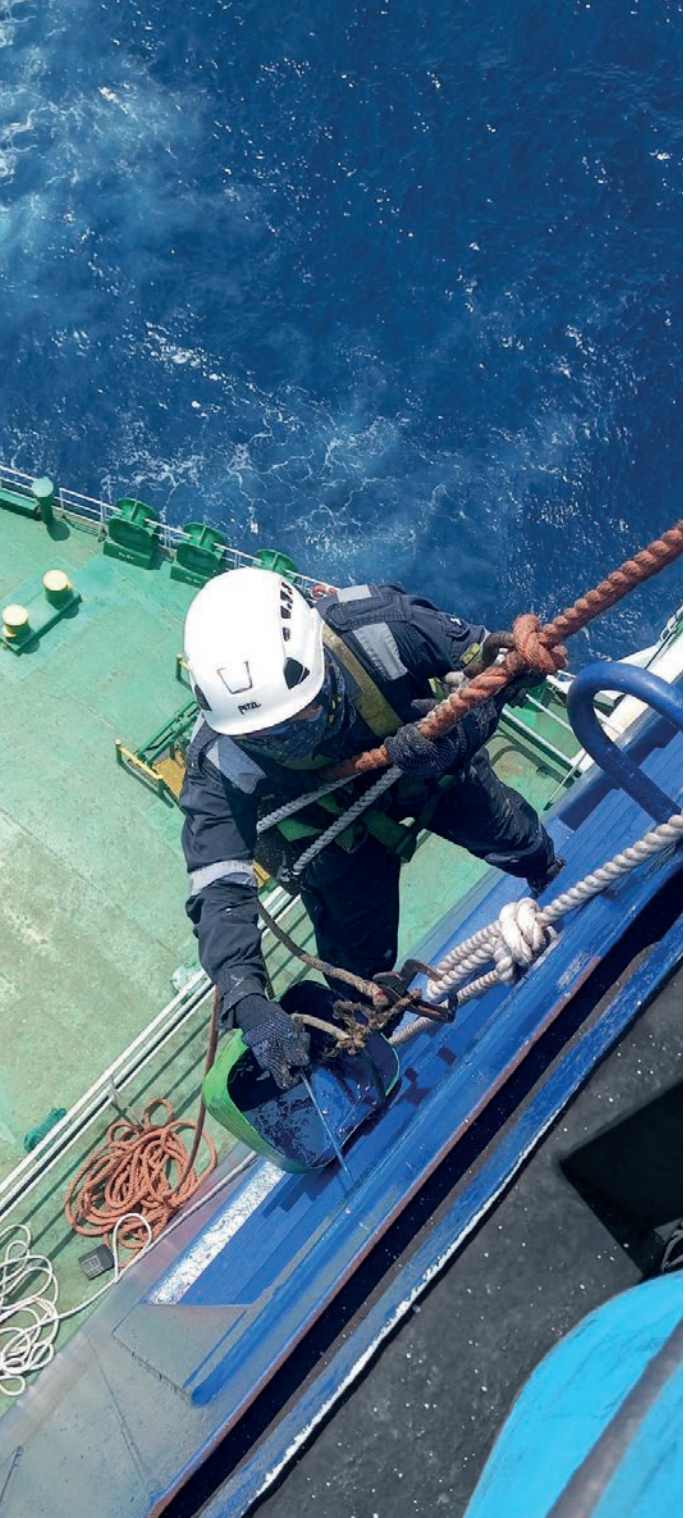
#### Technical upgrading of vessel:

Upgrade vessels to make them more energy efficient than they were originally designed to be and invest in CO<sub>2</sub> and methane emissions abatement technologies.

\*Calculations based on IMO MARPOL Annex VI, Resolution MEPC.352(78) and MEPC.353(78). I.e., methane slip not included.

“We have outlined a 2030 de-carbonisation strategy based on those aspects of vessel performance that we can influence.”





## A Optimise vessel technical condition and operations

### Driving efficiency improvements

We continuously monitor, track and report environmental performance, including GHG emissions. Our operations team is responsible for managing and monitoring our environmental impact against targets and baseline performance levels. Our achievements are reported to management on a quarterly basis.

Key parameters are compared to an “optimal” vessel condition and deviation thresholds are defined. In case of underperformance, corrective actions are swiftly initiated.

We assess our energy management performance with reference to:

### CII/AER

CII rating (by IMO) and AER are the overall emission indicators. The indicators measure emission intensity and are applied to voyage and YTD analysis. New charter parties have a CII clause to align emission reduction ambitions with charterer.

### Data Quality

Good data quality is essential for good performance analysis. The indicator measures the quality of reported data vs. sensor data.

### Commercial consumption performance (CP O/U Consumption)

To ensure consumption is within what is agreed in our charter party contracts. The indicator measures metric tons of fuel “over” or “under” consumption vs. the charter party contract.

### Speed Management

To make the vessel speed profile as favourable as possible. The indicator measures the variance in speed vs. the voyage speed average.

### Trim

To make sure the vessel trim is as favourable as possible. The indicator measures actual vessel trim vs. the optimal trim.

### Hull and Propeller

To make sure the propeller and hull are clean to avoid excessive fuel consumption due to barnacles and marine growth. The indicator measures any increase in propeller slip vs. an optimal baseline.

During the planned dry dockings in 2024 and 2025 we plan to apply premium antifouling that offers better durability and performance.

### Engine Load

To make sure the general engine load is as high as possible, resulting in optimal SFOC. The indicator measures engine(s) load vs. an optimum theoretical one for a given total load.

### Gas to Gas Combustion Unit (GCU)

To reduce the GCU usage to a minimum. The indicator measures daily metric tons of gas burned in the GCU.

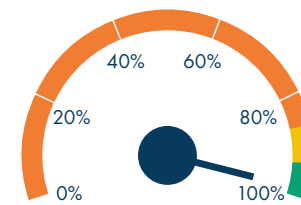
### Specific fuel oil consumption (SFOC)

To make sure the diesel engines SFOC is as close to design value as possible. The indicator measures the SFOC vs. an optimal baseline.

05

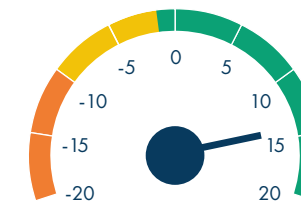
## Common Performance Indicators

### 1. Data Quality IAS vs Event Log Accuracy



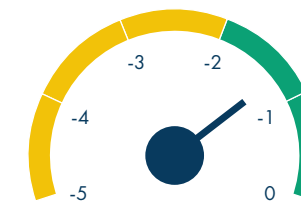
96.8 (%)

### 2. CP O/U Consumption Actual FOE vs Form B



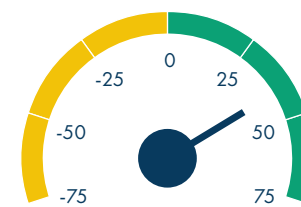
14.0 [MT]

### 3. Speed Management Variance in Speed (Std.dev.)



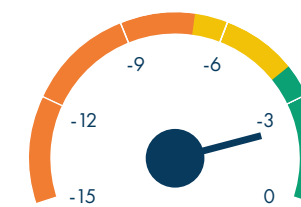
-1.3 [kts]

### 4. Trim Avg Trim (Speed>15kts)



40 [cm]

### 5. Hull and Propeller (Slip) Slip: Deviation from Baseline



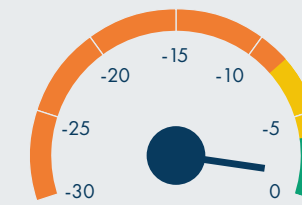
-2.4 [-]

**B**  
CII rating  
CARBON INTENSITY  
INDICATOR

**8.84**  
AER  
ANNUAL  
EFFICIENCY RATIO  
(G CO<sub>2</sub>/DWT\*NM)

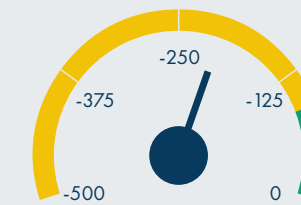
## DFDE Specific KPIs

### 6. Engine Load (%) Deviation from Baseline



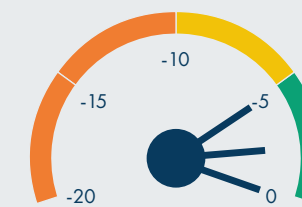
-2 [%]

### 7. Gas to GCU LNG Total



-78 [MT]

### 8. SFOC (g/kWh) Deviation from Baseline



-5 ; -2 ; 1 ;

“ Key parameters are compared to an “optimal” vessel condition and deviation thresholds are defined. In case of under-performance, corrective actions are swiftly initiated. ”

● Not OK ● Observe ● OK



05

B

Collaboration with charterers measures

Good collaboration with charterers is essential to optimise our environmental performance. Charterers direct the vessel route, speed, and choose the fuel consumed. The resultant emissions of a vessel are therefore substantially under their control.

During 2022 we started a pilot initiative with a selection of charterers to make them fully aware of the implications of their choices, the objective being to encourage better decision making. As part of this process we share emission data with them together with routing, speed management, GCU consumption and fuel mix suggestions to reduce operationally driven emissions.

Further, we are in the process of including the Carbon Intensity rating (CII) in the charter party as a mutual goal for vessel environmental performance.

	Trade + Pre-scheduling	Cargo + Vessel Fixture	Laden Voyage	Ballast Voyage
Charterer	<ul style="list-style-type: none"> <li>Find vessels and review of charter party agreements</li> <li>Cargo fixture and briefing of delivery obligations</li> </ul>	<ul style="list-style-type: none"> <li>Notification of potential cargo fixture or new cargo</li> <li>Voyage instructions</li> </ul>	<ul style="list-style-type: none"> <li>Ballast voyage instructions</li> <li>Nomination of discharge quantity</li> </ul>	<ul style="list-style-type: none"> <li>Heel requirements</li> </ul>
Terminal	-	<ul style="list-style-type: none"> <li>Notification of terminal arrival requirements</li> </ul>	<ul style="list-style-type: none"> <li>Terminal Communications</li> </ul>	<ul style="list-style-type: none"> <li>Terminal Communications</li> </ul>
CoolCo	<ul style="list-style-type: none"> <li>Vessel upgrading planning and impact on vessel trading flexibility</li> </ul>	<ul style="list-style-type: none"> <li>Planning of hull and propeller cleaning and major overhauls</li> </ul>	-	-
Vessel	-	<ul style="list-style-type: none"> <li>Voyage planning</li> </ul>	<ul style="list-style-type: none"> <li>Performance optimisation</li> <li>Daily noon reporting</li> </ul>	-

Illustration of key activities where close cooperation with charterers is important to optimise voyage and emission performance.

05

C

Technical upgrading of our vessels

CoolCo has approved an upgrade plan for its owned fleet to further enhance vessel efficiency. The fleet upgrades will include:

- Hull efficiency measures to reduce resistance through water:
  - An air lubrication system on the flat bottom.
  - Application of state-of-the-art hull coatings to lower friction and lengthen durability.
  - Use of propeller boss cap fins to increase thrust.
- Tools to help masters plan passages with the lowest energy consumption:
  - Voyage planning weather routing optimisation tools.
  - Vessel trim optimisation tools.
- Cargo boil-off measures to minimise cargo boil off:
  - Sub-cooler to super-cool cargo to -170 deg C.
  - Passage planning tools to minimise the cargo boil off rate.
- Initiatives to minimise methane slip from diesel engines:
  - Load optimisation initiative to avoid operating engines in unfavourable conditions.
  - Engine modifications initiative with engine maker to improve the combustion process.
  - Joined the MAMii initiative – a joint industry initiative, headed by Lloyds Register, to identify, accelerate and advocate technology solutions for the maritime industry to measure and manage methane emissions activity.

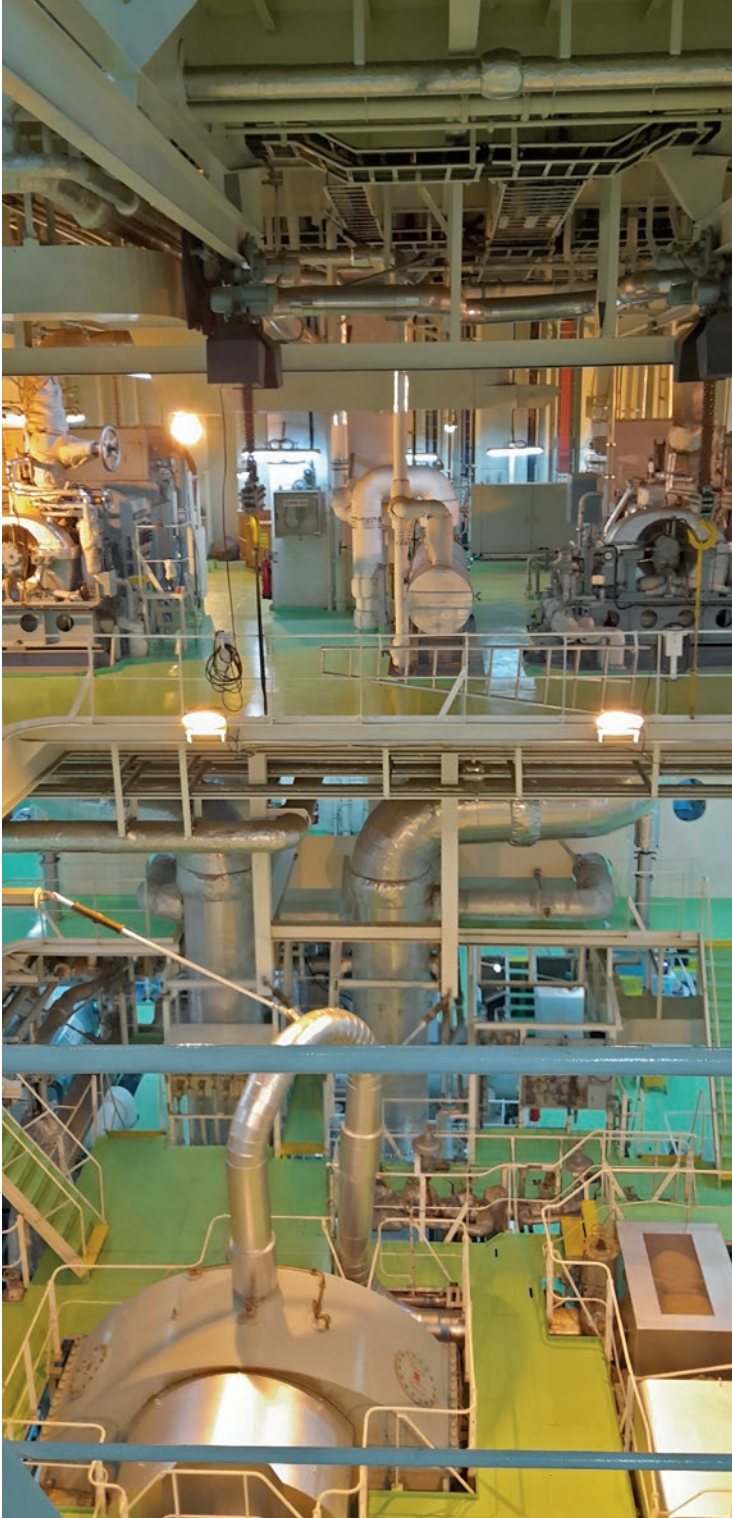
**Waste**  
CoolCo is continuously working to reduce general and oil-waste from our fleet. Waste has been reduced year by year as a result of our environmental management programme.

Waste reporting is based on what is being generated onboard our owned and managed FSRU and LNGC vessels. Waste generated by our offices is not included in this report as this is considered immaterial.

The Company has established an Environmental Management System (EMS) in compliance with the ISO 14001:2015 Standard. The ESG reporting of waste is based on our existing, and approved, environmental practices in line with this standard.

**2022 Progress and results**  
The overall fleet emission intensity (AER) continued to improve as a result of:

- Fleet renewal with two low emission X-DF vessels added.
- Monitoring hull condition more closely to optimise hull cleaning as most vessels experience higher hull resistance after 3-4 years in operation after last drydock. New technology for hull cleaning has been tested on two vessels.
- Strengthening follow up of SFOC and engine load by providing the Technical Superintendent for engines more efficient monitoring tools.





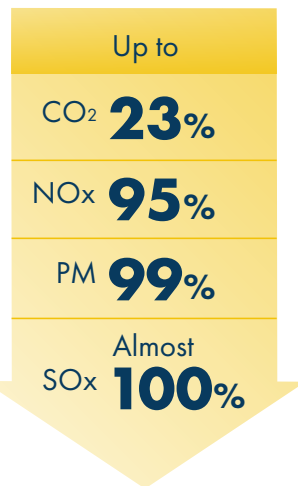


# 05

## LNG used in marine transportation can reduce

### Source

SEA-LNG, <https://sea-lng.org/2021/04/independent-study-confirms-lng-reduces-shipping-ghg-emissions-by-up-to-23/>



Sub-cooler to reduce GCU usage to be fitted to at least five vessels in 2024/25

- The long-term targets for emissions intensity from our fleet have been followed up. The targets reflect CoolCo's ambition to reduce emissions and our commitment to meeting, and where possible exceeding, increasing regulatory demands from the IMO and others.
- Committed to an ambitious yearly CII improvement plan for six of our LNGC's under the terms of their financing.

Despite the continuing overall Improvement, there were several factors contributing negatively to emissions intensity, including

an increased use of Gas Combustion Units and unfavourable fuel mixes.

Our challenge now is to continue to make progress during 2023 and plan for future optimisations that could be implemented during the scheduled vessel 2024-25 dry dockings.

### Gas Combustion Unit (GCU) usage

Changes in demand patterns arising from the war in Ukraine resulted in an increase in GCU usage in 2022. Over the Summer 2022, and aided by the arrival of its first FSRUs, gas storage in Europe increased,

reaching target ahead of schedule. A milder than normal start to winter combined with energy saving initiatives continent-wide meant that the draw on this stored gas was slower than expected. Close to full storage and lower consumption meant that by Autumn many of the LNG carriers coming to Europe were unable to unload and therefore idling, effectively being used as floating storage. To keep the cargo cool, excess gas was burned onboard rather than being used for propulsion. As a result, the emission intensity for these vessels deteriorated significantly, impacting our overall fleet performance.

Between 2021 and 2022 the use of the gas combustion unit (GCU) increased from 6.9% to 10.5% on our TFDE carrier fleet as a whole.

### A cleaner fuel mix

LNG is cleaner than other vessel fuels. Therefore, the more we can utilise our LNG cargo as fuel the lower our emissions will be. Between 2021 and 2022 LNG usage dropped from 89.6% to 76.6% due to a significant increase in global LNG prices that resulted in charterers directing us to burn more emission intensive but cheaper low sulphur fuel oil.



## FOCUS AREA PEOPLE AND COMMUNITIES

It is our ambition to continue to build a workplace that is both ethical and inclusive, ensuring that our organisation is a place where corporate responsibility pervades all business operations and decisions.

Our employees continued to demonstrate remarkable resilience in response to the COVID19 pandemic, and our main focus was to support them and keep them and their families safe.

### Employee social benefits

Benefits offered to our seafarers include an industry leading medical insurance plan which covers costs for medical treatment in the seafarers country of residence during leave and for the seafarers family all year.

### Employee satisfaction and experience

The satisfaction of our employees begins with ensuring adherence to internationally recognised human rights and labour standards in all our workplaces and by following our internal principles set out in our Code of Business Ethics and Conduct.

Retention is a crucial and widely recognised indicator of employee satisfaction.

The high retention rate for office-based staff and seafarers is very satisfactory. This, we believe, is a testament to our robust culture.

### We are a learning organisation

At CoolCo, we recognise that providing opportunities for learning and development is important for operational safety and improvement as well as employee engagement and satisfaction. An example of this is our cadet programme that aims to promote career growth for young seafarers by giving them an opportunity to develop the necessary skills to become top CoolCo officers. Since we started the program in 2013, 70% of all our cadets remain in our employment, with some now having reached senior officer positions on our vessels.

The concept of the learning organisation also includes knowledge sharing as well as the sharing of lessons learnt. Our weekly onshore safety meeting is an opportunity to present lessons learnt in a safe environment.



### Community engagement

We aim to be a lasting positive impact in places where we operate.

### Philippines and Indonesia

CoolCo supports the SOS children's villages care program and has also set aside funding to support the families of CoolCo crew impacted by natural disasters in the area on an ongoing basis.

For our seafarers we also arrange several conferences during the year, and here we present and discuss safety, health and wellbeing, vessel performance optimization and other relevant subjects.

### Norway

CoolCo sponsors the Windjammer Guild. In conjunction with the Christian Radich Foundation (custodians of a Norwegian full-rigged sailing ship). The Windjammer Guild has been helping

youth at risk of exclusion and dropout from secondary education to get back on to a path of active participation in professional life.

CoolCo also runs a summer intern program in Norway allowing students to obtain insight and experience in the maritime industry. We engage typically 4-6 summer interns every year. In the summer of 2023 we have engaged four students, all female.

### United Kingdom

CoolCo participated in the OSCAR Dragon Boat race in 2022 raising money on behalf of Great Ormond Street Hospital.

### Bermuda

CoolCo is proud to be the first corporate sponsor of The Bermuda Maritime Academy, a non-profit organisation dedicated to helping Bermudians to find a career at sea.



# Appendix

## Appendix 1: Targets and progress

### Governance and Ethics

Ambition	Targets	Results in 2022	2023 actions
<b>Business ethics</b> We are committed to maintaining the highest standards of governance and ethical conduct wherever we are in the world. We acknowledge the challenges in our industry and take action to ensure they do not exist in our organisation or supply chain.	<ul style="list-style-type: none"><li>Ensuring human rights are respected in our supply chain.</li><li>A robust system to comply with anti-bribery and corruption laws and regulations and maintaining our culture of compliance.</li></ul>	<ul style="list-style-type: none"><li>Implemented a new code of business conduct and ethics policy.</li><li>Implemented a new code of anti-corruption and anti-bribery policy.</li></ul>	<ul style="list-style-type: none"><li>Continue our robust approach to business ethics.</li></ul>
<b>Governance</b> To ensure an effective governance model making sure that we are in compliance, at all times, in line with all relevant requirements and standards, protecting our company and employees.	<ul style="list-style-type: none"><li>To continue to review and update our governance model to ensure compliance with new laws, regulations and recognised international standards.</li></ul>	<ul style="list-style-type: none"><li>Started the process of being SOX compliant.</li><li>Established an independent Board of Directors and sub committees to ensure appropriate governance oversight.</li><li>Implemented new governance and compliance policies to align with US listing requirements.</li></ul>	<ul style="list-style-type: none"><li>Implement new applications to strengthen fleet governance.</li><li>Implement a formalised internal audit function reporting to the Audit Committee.</li><li>Develop an Enterprise Risk Management Framework.</li></ul>

### Safety and Security

Ambition	Targets	Results in 2022	2023 actions
<b>Personal safety</b> Safety is our number one priority. We want to protect our people, their families and our communities, we want to be the preferred employer and aspire to a mature safety culture.	<ul style="list-style-type: none"><li>Achieve zero fatalities and sustain a lost-time injury frequency below 0.80 per million exposure hours.</li></ul>	<ul style="list-style-type: none"><li>2021 LTIF of 0.35 reduced to 0.16 in 2022.</li><li>Reduced the number of governing documents by 75%.</li><li>Restructured important bridge and engine procedures according to aviation best practice.</li></ul>	<ul style="list-style-type: none"><li>Continue focus on the human element related to near miss incidents.</li><li>Improve the analytical tools and better understand the underlying causes for incidents.</li><li>Strengthen the reporting culture</li><li>Further simplify administration work for seafarers by digitalisation of reporting and more.</li></ul>
<b>Cyber security</b> To protect the security of our fleet, and digital assets in best possible manner.	<ul style="list-style-type: none"><li>No vessel cyber security incidents or SIRE observations.</li><li>Implementing any recommendations from IT penetration tests.</li></ul>	<ul style="list-style-type: none"><li>No vessel or office cyber security incidents in 2022.</li></ul>	<ul style="list-style-type: none"><li>Revising CoolCo cyber security management system based on DNV Class Notation “Cyber Secure” and IEC 62443, ISO 27001 and IMO MSC-FAL.1/Circ.3.</li><li>IT penetration test on selected vessel(s).</li></ul>



Environment impact

Ambition	Targets	Results in 2022	2023 actions
<b>Emissions</b> To deliver significant improvements in efficiency and emissions to meet the IMO’s challenging emissions reduction targets.	<ul style="list-style-type: none"><li>35% reduction in emissions intensity by 2030, against our 2019 performance.</li><li>Focus on environmental “marginal gains” improvement in daily operation by vessel managers, operators, and onboard officers.</li><li>Work closely with our charterers to continuously improve performance and reduce emissions, taking all aspects of voyage optimisation into consideration.</li><li>Take action to reduce methane emissions arising from “methane slip”.</li></ul>	<ul style="list-style-type: none"><li>Reduced the AER from 8.48 in 2021 to 8.11 in 2022 for our carriers.</li><li>Compared to 2019 figures we have reduced the AER by 18%.</li></ul>	<ul style="list-style-type: none"><li>Place contracts for upgrading 5 vessels with ALS, sub-coolers and other energy saving devices.</li><li>Continue focusing on environmental “marginal gains” improvement in daily operation by vessel managers, operators, and onboard officers.</li><li>Run 2-3 pilots with charterers to improve vessel environmental operations.</li><li>Pilot Shell JAWS trim optimalisation initiative on 4 vessels.</li><li>Follow-up on the Lloyds MAMii methane initiative.</li></ul>
<b>Spills &amp; Pollution prevention</b> We are committed to reducing our total environmental footprint, not just emissions.	<ul style="list-style-type: none"><li>Zero serious environmental events.</li><li>Reducing total waste (oily and non-oily) by 20% compared to our 2019 benchmark.</li></ul>	<ul style="list-style-type: none"><li>General waste down 10% (from 2021).</li><li>Oil waste down 3.7% (from 2021).</li></ul>	Further reduce vessel waste: <ul style="list-style-type: none"><li>General waste by 12%.</li><li>Oily waste by 10%.</li></ul>
<b>Ship recycling</b> Ship recycling to be conducted according to leading sustainable practices.	<ul style="list-style-type: none"><li>In case of ship recycling, it is to be conducted according to leading sustainable practices.</li></ul>	<ul style="list-style-type: none"><li>No vessel recycled.</li></ul>	<ul style="list-style-type: none"><li>Revise the environmental policy to include compliance with The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships.</li></ul>
<b>Plastic</b> Reduce single use plastic products as far as possible.	<ul style="list-style-type: none"><li>No single water bottle supply. Fleetwide stop of supply/usage of “single use plastic bottles” for mineral water.</li></ul>		<ul style="list-style-type: none"><li>Initiative stopping supplying plastic drinking bottles for all vessels and offices.</li><li>Vessel Information relayed, sharing requirement and rationale behind total ban of “single use plastic bottles”.</li></ul>
<b>Food waste</b> Reduce food waste as far as possible.	<ul style="list-style-type: none"><li>Reduce food waste as far as possible by training of fleet catering personnel and target programs.</li></ul>	<ul style="list-style-type: none"><li>Professional chef sharing recipes and participating in company social network with focus on reducing food waste.</li></ul>	<ul style="list-style-type: none"><li>Initiate a food waste initiative in H2 2023.</li><li>Establish a reporting system for food waste.</li></ul>

Our people

Ambition	Targets	Results in 2022	2023 actions
We aim to be a preferred employer through our culture as a learning organisation and our focus on the development of our staff.	<ul style="list-style-type: none"><li>Achieve a retention rate of 95% for crewing.</li><li>Achieve a retention rate of 90% for office staff.</li></ul>	<ul style="list-style-type: none"><li>Achieved a crew retention rate of 96.96%.</li><li>Achieved an office staff retention rate of 95.30%.</li></ul>	<ul style="list-style-type: none"><li>Maintain the high retention rate for our seafarers and office personnel by offering a safe and engaging workplace.</li><li>Employee Retention will be an integrated part of the long-term Crewing Strategy for 2023-2026.</li><li>People engagement survey for office employees.</li></ul>
<b>Culture and leadership development</b> Leaders act as role models and foster culture based on care, collaboration, and professionalism.	<ul style="list-style-type: none"><li>All sr. officers shall attend a leadership awareness program.</li><li>All line managers should receive the necessary training and support to adequately manage and develop their employees.</li></ul>	<ul style="list-style-type: none"><li>50% of all new sr. officers attended a one-week leadership training program.</li></ul>	<ul style="list-style-type: none"><li>Review officer leadership program from 2024.</li><li>Revised people process aligning leadership behaviour vs. our values.</li></ul>
<b>Human and Labour rights</b> We are committed to human and labour rights being a fundamental part in our operations and supply chain.	<ul style="list-style-type: none"><li>To use business risk assessment and management tools to identify any potential risks related to human rights and labour rights non-compliances.</li></ul>	<ul style="list-style-type: none"><li>Improved mapping of supplier database to enhance our ability to identify potential risks.</li><li>Implementing the Norwegian Transparency Act.</li></ul>	<ul style="list-style-type: none"><li>Initiate a Seafarers Human Rights Self-Assessment.</li></ul>
<b>Workforce diversity</b> We are committed to have a diversified and inclusive workplace for all employees.	<ul style="list-style-type: none"><li>Develop leadership training that includes diversity and inclusion initiatives.</li></ul>	<ul style="list-style-type: none"><li>20 different nationalities represented in our organisation.</li><li>Equal career opportunities for all nationalities.</li></ul>	<ul style="list-style-type: none"><li>Develop a global Diversity, Equality, and Inclusion Strategy.</li><li>Support and promote female maritime university graduates and interns.</li></ul>
<b>Health and Wellness</b> Provide healthy working conditions that promote well-being for employees.	<ul style="list-style-type: none"><li>Continue to provide access to quality medical care for all employees and their families.</li><li>Increase focus on mental health and wellbeing on board our vessels.</li></ul>	<ul style="list-style-type: none"><li>Initiated a fleet culinary and nutrition program.</li><li>Upgrading of onboard gymnasiums for several of our vessels.</li></ul>	<ul style="list-style-type: none"><li>Improve our communication with seafarers on board and at home by implementing a social mobile application replacing the intranet solution.</li><li>Campaign for healthy food.</li><li>Engage a 3rd party mental health support program.</li></ul>



Our communities

Ambition	Targets	Results in 2022	2023 actions
Aim to have a lasting positive impact in the development of our communities.	<ul style="list-style-type: none"><li>Ongoing engagement with community organisations in the areas where our employees live and work.</li></ul>	<ul style="list-style-type: none"><li>Continued support to SOS Children's Villages care program and the Windjammer Guild.</li><li>Sponsored the The Bermuda Maritime Academy.</li></ul>	<ul style="list-style-type: none"><li>Continued support to SOS Children's Villages care program and the Windjammer Guild.</li></ul>



Appendix 2:  
Key facts and figures  
– CoolCo’s fleet

We have identified the data and figures below in order to provide insight, transparency and comparability on what we consider to be our most important ESG topics. Where possible, we have aligned our reporting with industry standards to enable comparison, and where industry standards are not available, we use ESG frameworks (for example SASB or GRI) to support our calculation/methodology. In some instances, there is no agreed comparable definition, and therefore in the footnote section we disclose how we have

calculated the figure, including the definitions used and, where applicable, which standard we have followed. We engaged Det Norske Veritas (DNV) to provide limited assurance of all 2022 reported data. DNV's assurance opinion for all 2022 data can be found on our website alongside our detailed methodology statements. The figures in the table below relate to the entire CoolCo owned and managed fleet, except for emissions data which relates only to vessels owned by CoolCo.

General Operation data

Description	Unit	2019	2020	2021	2022	Footnotes
Total number of vessels in operation	Number	23	21	23	27	-
CoolCo owned LNG carriers	Number	16	17	15	12	1
CoolCo managed carriers for other owners	Number	-	-	7	7	1
Owned FSRUs (Golar)	Number	6	6	2	-	1
Managed FSRUs for other owners	Number	-	-	6	8	1
Total number of employees*	Number	1269	1279	1333	1535	-
Office employee	Number	247	240	190	72	-
Seafarers	Number	1022	1039	1143	1463	-

HSE

Description	Unit	2019	2020	2021	2022	Footnotes
Number of serious marine incidents	Number	0	0	0	0	2
Fatalities	Number	0	0	0	0	-
Lost time injury frequency (LTIF)	Number	0.78	1	0.35	0.16	3
Total recordable case frequency (TRCF)	Number	1.25	1.51	0.88	1.13	4
Number of hours per seafarer/offshore worker spent on safety training in the year	Avrg Hours	51	53	65	51	5



Environment

Description	Unit	2019	2020	2021	2022	Footnotes
LNGC CO2 emissions	Metric tons	1,071,380	1,136,382	909,160	725,336	6
LNGC NOx emissions	Metric tons	6,094	5,168	5,691	5,794	6
LNGC SOx emissions	Metric tons	3,492	240	398	480	6
LNGC PM emissions	Metric tons	578	173	222	245	6
Total general and oily waste for all fleet (hazardous and non hazardous waste)	m3	4.307	3.223	2783	3050	-
Total general waste for all fleet	m3	1.983	1.809	1820	1838	-
LNGC general waste	m3	1232	1068	1070	1182	7
FSRU general waste	m3	610	536	750	656	7
Total oily waste for all fleet	m3	2.324	1.414	963	1212	
LNGC oily waste	m3	1778	1135	728	1065	8
FSRU oily waste	m3	478	247	235	147	8
Total oil Spills for all fleet	Metric tones	0	0	0	0	
LNGC % of energy consumed from heavy fuel oil	Percentage	14%	0%	0%	0%	9
Intensity measure	-	-	-	-	-	-
LNGC - EEOI	-	24.74	20.88	20.44	19.88	10,12
LNGC - AER	-	9.86	8.62	8.48	8.11	10

People and Community

Description	Unit	2019	2020	2021	2022	Footnotes
Employee Retention Rate (%) for Office staff	Percentage	-	-	-	95.30%	11
Employee Retention Rate (%) for Sea based staff	Percentage	96.7%	97.1%	93.0%	97.0%	11, 13
Diversity - Number of nationalities on board	Number	27	30	28	20	13
Diversity - Number of nationalities on shore	Number	-	-	-	14	-

Footnotes

1. The figures indicate the total vessels operated and or managed at year end.

2. Standard used: SASB “TR-MT-540a.1. Number of marine casualties, percentage classified as very serious” and also the IMO (RESOLUTION MSC.255(84)).

3. Calculation: LTIs x (1,000,000/Exposure hours). Standard used: OCIMF standards.

4. Calculation: (LTIs + Restricted Work Cases (RWCs) + Medical Treatment Cases (MTCs)) x (1,000,000/Exposure hours). Standard used: OCIMF standards.

5. Calculation: (hours spent on safety training)/number of offshore workers.  
  
The number of hours spent on safety training are based on the recommended amount of hours to complete the training module and includes both mandatory and non-mandatory training per year. An average will be calculated where training modules have to be repeated every few years.

6. Scope 1 emissions are direct emissions and Scope 2 are indirect emissions. We report only on Scope 1 emissions as Scope 2 would only be emissions from our offices as we do not purchase any electricity, steam, heat, or cooling for use by any of our fleet (LNGC). Therefore, our Scope 2 figure is highly immaterial compared to our operations.  
  
Our emissions figures, including GHG emissions and other air emissions, are based on fuel consumption. A detailed description of our calculation and methodology used can be seen in our Methodology statement (“CoolCo LNG methodology statement”), located on our website.  
  
Conversion factors used: Third IMO GHG Study 2014 – final.

7. The sum of all waste generated throughout the reporting year which falls under the “general waste” type category within the MARPOL standards.

8. The sum of all waste generated throughout the reporting year which falls under the “Oily waste” type category within the MARPOL standards.
9. Calculation: Total HFO energy consumed/ Total energy consumed.

10. Calculations:
  - Energy Efficiency Operational Indicator (EEOI)= Annual average CO2 emissions per transport work (volume) [g CO2/(MT x miles)]. Standard used = IMO Calculation MEPC.1/Circ684.
  - Average Efficiency Ratio (“AER”) = CO2 emissions divided by design deadweight of the vessels multiplied by distance travelled. Standard used = Fourth IMO GHG Study 2020.
  - FSRU – Emission per tonne LNG send out = Total CO2 emissions divided by total LNG sent out (“production”). We only included the vessels that operated as FSRUs and excluded vessels that operated as FSUs during the reporting period.  
A detailed description of our calculation and methodology used can be seen in our Methodology statement (“CoolCo methodology statement”), located on our website.  
  
NOTE: The historical AER factor has been updated due to a correction in deadweight for Golar Kelvin and Golar Glacier.

11. Calculated based on the INTERTANKO methodology which is set out by the TMSA. The calculation takes into account all terminations excluding unavoidable (retirements or long-term illness) and beneficial (staff whose departure benefits the company, e.g. underperformers) terminations divided by the average number of employees working for the company during the same period.

12. We have updated the standards that we use to calculate our EEOI during this reporting year. Previously we followed EU MRV guidance but are now applying IMO guidance. The difference between the calculation is the unit in which you measure transport work (M3 vs MT). We have restated our 2019 figure.

13. 2018-2021 values are Golar LNG. I.e., including values for Golar FLNG employees.



“ Det Norske Veritas (DNV) have conducted a limited assurance of all 2022 reported data. DNV’s assurance opinion for all 2022 data can be found on our website alongside our detailed methodology statements.”



# Appendix 3:

## Climate related risks and opportunities

We support the aims of the Taskforce for Climate-Related Financial Disclosures (“TCFD”) to improve the transparency and reporting of climate related risks and opportunities. We are working towards full disclosure in line with the TCFD requirements, and relevant disclosures can be found throughout our report, specifically:

- Governance – ESG governance and materiality section.
- Strategy – Our sustainability strategy and Climate and LNG.
- Risk management – ESG governance and materiality section, and the risks and opportunities outlined in this Appendix.
- Metrics and targets – Our ambitions, focus areas and Appendix 1 Key Facts and Figures.

As recommended by the TCFD, the following section outlines potential climate related risks and opportunities that we identified for our business.

“We are committed to being a responsible operator. This means transparently assessing our environmental impact and taking action to improve energy efficiency and minimising our environmental footprint.”

### Opportunities

Topic	Brief opportunity description	Impact on our business, strategy and/or financials
Energy transition	<ul style="list-style-type: none"><li>• The energy transition, in terms of reducing emissions whilst meeting rising demand, results in greater demand for natural gas to replace other more polluting fossil fuels in power, transportation and industrial use.</li><li>• Integration of sustainability in our strategy, operations and reporting supports the energy transition.</li></ul>	<ul style="list-style-type: none"><li>• Increase in demand and LNG prices, resulting in increased shipping revenue and infrastructure returns.</li><li>• Increased access to capital and other reputational benefits through stronger stakeholder relationships.</li></ul>
Markets	<ul style="list-style-type: none"><li>• Growth in markets for LNG, with more countries importing gas to provide cheaper and cleaner energy.</li></ul>	<ul style="list-style-type: none"><li>• Increased shipping rates leading to increased revenue.</li></ul>
Products and services	<ul style="list-style-type: none"><li>• Deliver maritime infrastructure to support the development of alternative fuels, such as hydrogen and ammonia, by applying our skills, experiences and track record of innovation.</li></ul>	<ul style="list-style-type: none"><li>• Growth opportunities, increased access to capital and reputational benefits.</li><li>• Supporting increased growth in LNG through reduction of upstream emissions leading to increased demand and therefore higher shipping rates and infrastructure returns.</li></ul>
Resource efficiency	<ul style="list-style-type: none"><li>• Reduced energy usage/retainage through engaging with charterers and wider industry drive towards greater efficiency.</li></ul>	<ul style="list-style-type: none"><li>• Reduced operating costs, increase in operational efficiencies and reduced gap between the efficiency of current assets and new technology ultimately leading to greater profitability.</li></ul>
Technology	<ul style="list-style-type: none"><li>• Improvements in shipping efficiency.</li></ul>	<ul style="list-style-type: none"><li>• Reduction in operational costs.</li></ul>

### Risks

Topic	Brief risk description	Impact on our business, strategy and/or financials
Policy and legal	<ul style="list-style-type: none"><li>• Increased environmental regulations which our existing infrastructure and new projects would need to comply with.</li><li>• Government policy changes, such as carbon policies and regulations and subsidies for low carbon or renewable energy sources, effects the attractiveness and cost competitiveness of LNG.</li><li>• Enhanced ESG and climate related reporting obligations.</li></ul>	<ul style="list-style-type: none"><li>• Increased project development costs and operating costs to ensure compliance in obtaining and maintaining permits.</li><li>• Increased administration and compliance costs.</li><li>• Higher costs for LNG and reduced global demand leading to lower shipping rates, infrastructure returns and opportunities for growth.</li></ul>
Markets	<ul style="list-style-type: none"><li>• Changing consumer preferences leading to reduction in global LNG demand.</li><li>• Uncertainty in the balance of LNG supply and demand leads to increasing volatility in energy prices.</li></ul>	<ul style="list-style-type: none"><li>• Reduced global LNG demand leading to lower shipping rates and reduced opportunities for future infrastructure projects.</li><li>• Increased volatility in shipping rates leads to increased seasonality in revenue and greater challenges in obtaining market rates consistently.</li><li>• Uncertainty in energy prices and LNG demand could lead to delays in investment decisions on new gas projects.</li></ul>
Reputation	<ul style="list-style-type: none"><li>• Stigmatisation of the LNG industry as part of the fossil fuel sector.</li><li>• Negative stakeholder feedback on CoolCo and its contribution to the LNG supply chain.</li></ul>	<ul style="list-style-type: none"><li>• Challenges in obtaining financing for new projects or re-financing existing debt.</li><li>• Challenge to social right to operate and the ability to attract and retain talent. Increased cost of capital and reduced revenue.</li></ul>
Technology	<ul style="list-style-type: none"><li>• Technological advancements leading to market share of low carbon and renewable energy sources exceeding current expectations and models.</li><li>• CoolCo infrastructure and ships become technologically obsolete through competitors improving performance or through CoolCo investing in the “wrong” technology.</li></ul>	<ul style="list-style-type: none"><li>• Reduced global LNG demand leading to lower shipping rates and reduced opportunities for future infrastructure projects.</li><li>• Reduced revenue through shipping rates and infrastructure returns, and reduced opportunities for future projects.</li><li>• Increase in cost through failed investments.</li></ul>

The TCFD divides climate risks into two categories, physical and transition risks, both of which are addressed below;

Physical risks The potential risks related to the physical impacts of climate change.

We have identified 3 main physical climate risks with the potential to significantly affect the performance of our assets, namely:

- Increased severe weather events, causing operational downtime or damage.
- Increased sea temperatures leading to reduced efficiency, and
- Increased air temperatures leading to reduced efficiency.

Our assets and vessels are designed according to current regulations to withstand extreme environmental conditions.

Transition risks are related to the transition to a lower carbon economy.

Our assets and vessels are designed to withstand extreme environmental conditions





This ESG report contains forward looking statements, which include statements regarding sustainability, governance and business ethics, health, safety and security, environmental impact, people and communities, targets and progress, and climate related risks and opportunities. Forward-looking statements are typically identified by words or phrases, such as “about”, “believe,” “expect,” “plan,” “goal,” “target,” “strategy,” and similar expressions or future or conditional verbs such as “may,” “will,” “should,” “would,” and “could.” These statements are based on current expectations, estimates, assumptions and projections and you should not place undue reliance on them. Forward-looking statements do not guarantee future performance and involve risks and uncertainties. These risks and uncertainties include risks indicated in the risk factors included in CoolCo’s Annual Report on Form 20-F for the year ended December 31, 2022 and other filings with the U.S. Securities and Exchange Commission. These forward-looking statements are made only as of the date of this document. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

**Photo competition**

During the preparation of our latest ESG Report we wanted to capture what it is like to be part of the CoolCo team – life on board ship, in the offices, the places we see and people we encounter.

We decided the best way of achieving this was to launch a photo competition. Open to all team members, we asked people to submit pictures that captured their personal CoolCo experience. Images selected and used in the ESG Report would receive a kind reward for their time and creativity.

The response was amazing with over 200 photos uploaded for consideration through ‘BeeKeeper’. A total of 32 outstanding pictures were selected for use in the report, plus a group of runners-up which deserved recognition, although they did not make it into the report.

Thanks to all who sent in photos, sharing their experiences. We are proud of the services and facilities we provide on a day-to-day basis and seeing these images enhanced our appreciation of the importance of working together as a team.

**Photo credits**

(Not in any particular order)

Sergei Liutko (Kool Baltic), Mark Christopher Banas Ibones (Kool Glacier), Mark Laurence Madrinan (Energos Grand), Alcris De Villa Salazar (Methane Princess), Damir Pinteric (Methane Princess), Pepito Justiniane Monterola (Golar Maria), Evgenii Fedorchenko (Kool Baltic), Aleksandr Zhidik (Kool Ice), Tommy Andre Strømsborg (Oslo Office), Fredrik Meltzer (Oslo Office), Lauro Kragic (Kool Ice), Carl Mauricio Montevirgen (Kool Firn), Mark John Bantad Maximo (Golar Maria), Sergei Liutko (Kool Baltic), Andrei Dolgov (Kool Orca), Aleksei Riabenko (Kool Orca), Robert Pavic (Hoegh Gandria).

“ Thank you to all our employees who contributed their photos for this report, portraying life onboard and working within our offices. ”





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