

# CoolCo ESG methodology statement

## Introduction

This document outlines the definitions and the methodologies that have been used to prepare CoolCo Environment, Social and Governance (ESG) metrics.

## 1. General reporting overview

### Basis for reporting

The metrics and disclosures in our ESG Report 2021 and 2022 were selected based on our internal and external materiality assessments, explained within our report. The metrics reported for our two business segments (LNGC, FSRU) are:

- Greenhouse Gas (CO<sub>2</sub>) emissions (scope 1)
- SO<sub>x</sub> emissions total
- NO<sub>x</sub> emissions total
- PM emissions total
- LNGC EEOI
- LNGC AER
- FSRU emissions per tonne LNG send out
- General and Oily waste
- LNGC & FSRU % of energy consumed from heavy fuel oil
- Employee Retention Rate (%) for Office staff
- Employee Retention Rate (%) for Sea based staff
- Diversity - Number of nationalities on board

### Reporting scope

Unless otherwise noted, this report includes the operations for the entire CoolCo managed fleet, encompassing assets owned and operated by New Fortress Energy, including those vessels in cold layup or being converted (a detailed list of our vessels can be seen on the CoolCo website). Emissions sources outside of the fleet itself, for example land office locations, are not included and are expected to be less than 1% of scope I emissions. The more detailed scope of each reporting item can be seen below.

The reporting figures stated in this report relate to the year ending 31<sup>st</sup> December 2022.

### Standards and methodology

To facilitate comparability, most of our reporting figures are calculated based on industry specific standards. Where industry specific standards are not available, we follow an alternative method as described in more detail below, being our view of best practice and the most accurate data available to us.

### Uncertainty and estimates

Every effort is made to capture all relevant data, however where we have used estimates or assumptions, we have made this clear and this has been explicitly defined in the specific criteria for each indicator below, where appropriate.

### Restatement

Where information is available, we will restate prior year's figures using the latest available data to make data as comparable between years as possible. We will clearly outline where restatements for specific indicators have been made.

### Our responsibility

We ensure that appropriate procedures are in place to report our performance data, in all material respects, as set out in this document. We further acknowledge and fulfil our responsibilities in:

- establishing objective reporting criteria for preparing the selected information.
- designing, implementing and maintaining internal controls over information relevant to the preparation of the ESG metrics.
- the content of the Environment, Social and Governance Report 2022.

## 2. General Operation data

### General overview

The reporting of ESG figures differs pending on who is the vessel owner. As CoolCo both owns, manage, and operate LNG carriers and FSRU's the reporting of ESG figures need of be clearly defined.

### Calculations and assumptions

The below table sets out the details behind our LNGC and FSRU reporting items.

Calculation	Conversion factors and assumptions
<b>Number of vessels in operation</b>	
Number of vessels in operation	Report on all vessels owned or managed by CoolCo. It is differed between: <ul style="list-style-type: none"> <li>• Owned LNG carriers</li> <li>• Managed LNG carriers</li> <li>• Managed FSRU's</li> </ul> The figures reported year end numbers.
Number of employees	The total number of employees and seafarers at the end of the year. See also section 5.
<b>Health, Safety and Security</b>	
All Health, Safety and Security figures	These figures are valid for all vessels owned or managed by CoolCo
<b>Environment and Energy efficiency</b>	
All Environment and Energy efficiency figures	These figures are valid for only the vessels owned by CoolCo where we have operational control. Emission and energy efficiency figures for the managed vessels are reported by the representative owner.
<b>People and community</b>	
All People and community figures	Vessels. These figures are valid for all vessels owned or managed by CoolCo

### 3. Emissions reporting specifics and methodology

The below sections have been split between the different fleet that we own and operate

#### General overview

The majority of our LNGC and FSRU emissions are mainly from the combustion of fuel in our engines.

#### Standards and Methodology followed

To facilitate comparability, we follow industry standards to calculate our reporting figures, unless otherwise stated. We mainly follow the IMO methodology when calculating our CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>x</sub> and PM figures.

#### Scope and boundaries

We measure, monitor, and report our emissions derived from our Engines which includes emissions

from our Gas combustion unit and our boilers (where applicable). Our calculation excludes gas used in the kitchens onboard our vessels, as well as emissions from our waste incinerators.

**Fuels used:** Our vessels use a variety of fuels, the main fuels are; Natural Gas, LSFO and LSMGO (we also consume a small amount of MGO) all of which is included in our calculations, unless otherwise stated.

#### Calculation, conversion factors and assumptions

The below table sets out the details behind our LNGC and FSRU reporting items.

Calculation	Conversion factors and assumptions
<b>Emission figures</b>	
<p>CO<sub>2</sub>: The total of each fuel type consumed multiplied by the respective CO<sub>2</sub> conversion factors.</p> <p>CO<sub>2</sub>= Fuel consumed (tonnes) x relevant TCO<sub>2</sub> conversion factor.</p>	<p>The conversion factors used are those per the Third IMO GHG Study 2014 - final.</p> <p>When calculating our CO<sub>2</sub> emissions from our LNG consumption, we take the average density of LNG lifted into account.</p>
<p>NO<sub>x</sub>: The total of each fuel type consumed multiplied by the respective NO<sub>2</sub> (NO<sub>x</sub>) conversion factors.</p> <p>NO<sub>x</sub> = Fuel consumed (tonnes) x relevant NO<sub>2</sub> (NO<sub>x</sub>) conversion factor.</p>	<p>The conversion factors used are those per the Third IMO GHG Study 2014 - final.</p>
<p>SO<sub>x</sub>: the total Sox emissions from the total fuel consumed and its sulphur content multiplied by its respective conversion factor.</p> <p>SO<sub>x</sub>= Fuel consumed (tonnes) x relevant SO<sub>2</sub> (SO<sub>x</sub>) conversion factor from Sulphur content in fuel .</p>	<p>The conversion factors used are those per the Third IMO GHG Study 2014 - final.</p> <p>We use the IMO average sulphur content for each fuel type (2017) to determine the sulphur content.</p>
<p>PM: The total of each fuel type consumed multiplied by the respective PM conversion factors.</p> <p>PM = Fuel consumed (tonnes) x relevant PM conversion factor</p>	<p>The conversion factors used are those per the Third IMO GHG Study 2014 - final.</p>

Calculation	Conversion factors and assumptions
<b>Intensity figures</b>	
Energy Efficiency Operational Indicator (EEOI)= Annual average CO <sub>2</sub> emission per transport work (volume) [g CO <sub>2</sub> / (MT cargo x nm)]  <i>Applicable to our LNGC fleet only.</i>	See CO <sub>2</sub> emission calculation above for our calculation, methodology and assumptions used.  Transport work is calculated by taking the actual cargo quantity (LNG MT) on board and then multiplying that by the observed distance.  Port operation and ballast voyages, as well as voyages which are not used for transport of cargo, such as voyages for docking services, are included within our transport work calculation.  Our calculation aligns to the IMO methodology <sup>1</sup> .
Average Efficiency Ratio (“AER”) =Annual CO <sub>2</sub> emissions divided by design deadweight (MT) of the vessels multiplied by distance travelled (nm) [g CO <sub>2</sub> / (MT dwt x nm)]  <i>Applicable to our LNGC fleet only.</i>	See CO <sub>2</sub> emission calculation above for our calculation, methodology and assumptions used.  Design deadweight is given by vessel specification from the yard. Distance travelled is observed distance.  Our calculation aligns to the IMO methodology <sup>2</sup>
FSRU per tonne LNG send out  <i>Applicable to our FSRU fleet only</i>	See CO <sub>2</sub> emission calculation above for our calculation, methodology and assumptions used.  Send out rate (LNG) is recorded in MMSCF (Standard Cubic Foot) and converted into metric tonnes for disclosure.

### Data collection and quality

All our vessels capture vessel performance data, which includes fuel consumption, sailed distance, cargo quantity and more, every noon and at specific events, like departure, arrival and interruption of sea passage. The fuel consumption data are based on flow meter readings. The data captured is subjected to instant validation in our internal system to avoid clerical errors.

Fuel consumption volumes are multiplied by relevant conversion factors, as described above in

the table, to create the relevant performance metrics.

Internal reviews are also performed to validate the accuracy and completeness of the data captured on a weekly basis through anomalies analysis.

In addition to the assurance on our 2022 emissions and emission intensity data (in accordance with ISAE3000 and ISAE3410) as mentioned above, we are also subject to other audits to certify our compliance with the EU MRV and IMO DCS reporting.

<sup>1</sup> IMO Calculation MEPC.1/Circ684

<sup>2</sup> Fourth IMO GHG Study 2020

## 4. Waste reporting specifics and methodology

### General

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

### Standards and Methodology followed

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.

### Scope and boundaries (Waste as Environmental Aspect Identification)

Environmental Aspect Elements are the organisation's footprints that can impact the environment.

Environmental Aspects are identified in workshop sessions. The outcome is the CoolCo Environmental Aspect Register.

Waste is an Environmental Aspect Element, that is reported and monitored as part of the ESG KPIs.

### Calculation, conversion factors and assumptions

The below table sets out the details behind our reporting items

Calculation	Conversion factors and assumptions
LNGC and FSRU and general waste	<p><b>Amount of Garbage Discharged to Sea, Incinerated and Disposed Ashore</b></p> <p>Unit: m<sup>3</sup></p> <p><u>Definition:</u> Amount of garbage discharged to sea, incinerated and disposed ashore, by garbage type (in accordance with MARPOL Annex V garbage types).</p> <p><u>Data source and calculation:</u> Figures should be extracted from the Garbage Record Book (GBR) for the period. Cooking oil disposed should be extracted from the Oil Record Book (ORB). Figures should match the figures entered in the GRB/ORB and the waste receipts from the garbage disposal contractor. Figures for garbage discharged to sea and incinerated are expected to be zero (it is not permitted to discharge garbage to sea except in emergencies, and onboard incinerators have been decommissioned).</p>

Calculation	Conversion factors and assumptions
LNGC and FRSU oily waste	<p><b>Bilge water pumped through OWS, Disposed Ashore, Evaporated and Incinerated:</b></p> <p>Unit: m<sup>3</sup></p> <p><u>Definition:</u> Bilgewater collected in bilge holding tank. Does not include rainwater run-off.</p> <p><u>Data source and calculation:</u> Figures should be extracted from the Oil Record Book for the period. For reference, volumes pumped through the oily water separator (OWS) are read from the OWS control panel at every discharge. Volumes disposed ashore are calculated manually from electronic tank level readings. Bilgewater evaporated / incinerated is expected to be zero (there is no evaporator on the bilge system and onboard incinerators have been decommissioned). Bilge disposed ashore should normally be zero, except when failure/repair of bilge system requires onshore disposal.</p> <p><b>Sludge pumped through OWS, Disposed Ashore, Evaporated and Incinerated:</b></p> <p>Unit: m<sup>3</sup></p> <p><u>Definition:</u> Sludge collected in sludge holding tank.</p> <p><u>Data source and calculation:</u> Figures should be extracted from the Oil Record Book for the period. For reference, sludge separation water is pumped through OWS – volumes are read from the OWS control panel at every discharge. The remaining sludge is pumped onshore via a supply vessel – the volume is calculated manually from electronic tank level readings. Sludge evaporated /incinerated is expected to be zero (there is no evaporator on the sludge system and onboard incinerators have been decommissioned)</p>

### Data collection and quality

All vessels are ISO 14001 certified to ensure the compliance with relevant regulations and consistent management of environmental improvements.

The actual figures are reported monthly in dedicated web-based software.

Each vessel General Waste discharge to shore is being quality checked, by the office including proper segregation and quantity. For the latter we use photos and “Advance Notification of Delivery of Waste” CoolCo HSE 405 forms.

The HSE 405 form quantities are checked against the receipt from the local collecting facility.

In case of any Environmental quarterly KPI breach, vessels are instructed to raise a non-Conformity

that is analysed for causes-remedials and re-occurrence prevention, fleetwide.

CoolCo’s BI system is used to analyse the KPI’s during the quarterly Environmental Committee Meetings.

After the meeting, the quarterly Environmental Committee Meetings minutes are shared with the fleet and for their info/guidance.

At the end of quarter four, the Environmental Committee issues a new “Company Environmental Program”, based on the last years achievements, which is shared with the fleet.

Every fifth year, a new five-year “Company Environmental Program” plan with its KPIs is compiled as well. Last was 2019 and next is 2024.

## 5. People and Community reporting specifics and methodology

### General

We believe in diversity, and that competence is not linked to nationality. We have more than 25 different nationalities onboard our ships and thus emphasize our slogan “competence before nationality.” We believe that our “Cadet to Master program” has helped build our group of seafarers to the standard we have onboard our ships today.

### Standards and Methodology followed

We use the [Intertanko model and formula for calculating retention rate](#). This is an acknowledged standard in the maritime industry.

### Scope and boundaries

The reporting of office based staff covers all personnel with a permanent employment contract with CoolCo.

Our reporting of sea based, covers all personnel with a CoolCo employment contract.

By a contract we mean permanent and periodical employed personnel.

I.e., contract workers and service engineers are not included in our reporting.

### Calculation, conversion factors and assumptions

The below table sets out the details behind our reporting items

Calculation	Conversion factors and assumptions
<b>General data</b>	
Office employee	Number of employees per 31 <sup>st</sup> December in the reporting year. Permanent employees as registered in Simployer.
Seafarer & Offshore staff	Number of employees per 31 <sup>st</sup> December. “Registered” means an “activity” within the start and end date. “Activity” can be on board, training, leave etc.
<b>People and Community</b>	
Employee Retention Rate (%) for Sea based and Office staff	<p>Intertanko model for calculation of Retention:</p> $\% \text{ Retention Rate (RR)} = 100 - \left[ \frac{\{S - (UT + BT)\}}{AE} \times 100 \right]$ <p><b>Where:</b>  <b>RR</b> = Retention rate 24 moths (in line with TMSA best practice guidance).  <b>S</b> = Total Number of terminations for whatever cause  <b>UT+BT</b>=Unavoidable Terminations (retirements and long-term illness) and Beneficial Terminations (ex: redundancies, under-performers).  <b>AE</b> = The average number of employees working for the company during the same period as calculated, this should be any period of 12 months.</p> <p>Data is extracted from the personnel systems (OCS and Simployer) and reports built in OBI.</p> <p>For office personnel, only permanent employees are included, not temporary employees and consultants. For office personnel the retention rate is calculated from 1 March 2022 when the assignment of personnel to CoolCo and Golar was performed.</p>

Calculation	Conversion factors and assumptions
Diversity - Number of nationalities on board	Is calculated by extracted data from our crew management system (OCS). Each employee can only be registered with one nationality.

### Data collection and quality

For shore personnel, we use a common personnel system called Simployer for the CoolCo. Joiners and leavers are entered with start and leaver date. The turnover/retention calculation is based on these start and leaver dates as well as tagging of people not to be included in the calculation, see below. Calculations are made on Group and office level. Only Group level is reported for ESG purposes, while office levels are subject to local reporting.

We use a Crew Management System (OCS) for seafarers and offshore personnel where all data connected to hiring and leavers' date are entered. The same system is also used to register the various certificates and training needed to fulfil

the requirement given in the STCW and the ISM Code.

Shore personnel are registered with start and leave date in the personnel system. Non-voluntary leavers are people terminated by the company or who leave because of sickness, retirement for old age. Non-voluntary leavers are tagged and do not count as leavers in the retention calculation.

Employee lists are extracted from our business intelligence system (OBI) and are reviewed at year-end. This is an exercise performed by HR based on personnel system data and list provided by data warehouse responsible.

Prevalence of non-voluntary leaves are discussed in the HR group at intervals. Non-voluntary leavers are tagged in the system.

## 6. Health, Safety and Security reporting specifics and methodology

### General

CoolCo strives to maintain an organisational culture based on openness and learning. In CoolCo we see failure as an opportunity to learn and we always focus on what we can learn from any failure. Unwanted outcomes will be reported in Docmap which is our incident reporting tool. The incident will be root cause analysed and system corrective actions are implemented.

### Standards and Methodology followed

For registration of incidents, we follow OCIMFs definitions, and we use the DNV MSCAT model for root cause analysis of any registered incident. For incidents with serious potential, we also do a more thorough investigation based on the Kevin TopSet methodology.

### Scope and boundaries

We register all incidents that happen from when an employee enters the workplace until they leave

the workplace. The workplace can be a ship, an installation or an office. For ships and installations, we count 24 exposure hours per day and for offices we count 8 exposure hours per day.

We differentiate between leisure time and worktime incidents. The reason is that we allow for a higher risk exposure during leisure time than during work hours. Playing basketball or exercising in the gym will always involve a certain risk for smaller injuries like a twisted ankle or similar. However, we consider the benefits of physical activity to be greater than the disadvantage related to a small number of RWCs caused by work out and physical activity.

### Calculation, conversion factors and assumptions

The below table sets out the details behind our reporting items. Exposure hours are collected from our personnel system OSC and number of



incidents are collected from Docmap. The results are displayed in our BI system OBIEE.

Calculation	Conversion factors and assumptions
Number of serious marine incidents	<p>A marine incident means an event which has occurred directly in connection with the operations of a ship that endangered, or, if not corrected, would endanger the safety of the ship, its occupants or any other person or the environment.</p> <p>Standard used: SASB “TR-MT-540a.1. Number of marine casualties, percentage classified as very serious” and also the IMO (RESOLUTION MSC.255(84)).</p>
Fatalities	A death directly resulting from a work injury regardless of the length of time between the injury and death.
Lost time injury frequency (LTIF)	<p>The number of lost time injuries that occurred during the reporting period calculated per 1-million-man hours worked. This is calculated as follows: <math>LTIF = LTIs^* \times (1,000,000 / \text{Exposure Hours})</math></p> <p>*LTI: Lost Time Injuries are the sum of:</p> <ul style="list-style-type: none"> <li>• <u>Fatalities</u>: A death directly resulting from a work injury regardless of the length of time between the injury and death</li> <li>• <u>Permanent Total Disabilities (PTD)</u>: any work injury which incapacitates an employee permanently and results in termination of employment on medical grounds (e.g. loss of limb(s) permanent brain damage, loss of sight) and precludes the individual from working either at sea or ashore.</li> <li>• <u>Permanent Partial Disabilities (PPD)</u>: Permanent Partial Disability is any work injury which results in the complete loss, or permanent loss of use, of any member or part of the body, or any impairment of functions of parts of the body, regardless of any pre-existing disability of the injured member or impaired body function, that partially restricts or limits an employee basis to work on a permanent basis at sea. Such an individual could be employed ashore but not at sea in line with industry guidelines</li> <li>• <u>Lost Workday Cases (LWC)</u>: This is an injury which results in an individual being unable to carry out any of their duties or to return to work on a scheduled work shift on the day following the injury unless caused by delays in getting medical treatment ashore.</li> </ul>

Calculation	Conversion factors and assumptions
Total recordable case frequency (TRCF)	<p>The number of total recordable cases per million exposure hours worked during the period. This is calculated as follows:</p> $\text{TRCF} = (\text{LTIs} + \text{RWCs} + \text{MTCs}) * x (1,000,000 / \text{Exposure Hours})$ <p><u>*RWC</u>: Restricted Work Cases, An injury which results in an individual being unable to perform all normally assigned work functions during a scheduled work shift or being assigned to another job on a temporary or permanent basis on the day following the injury.</p> <p><u>*MTC</u>: Medical Treatment Case, Any work-related loss of consciousness (unless due to ill health), injury or illness requiring more than first aid treatment by a physician, dentist, surgeon or registered medical personnel, e.g. nurse or paramedic under the standing orders of a physician, or under the specific order of a physician or if at sea with no physician on-board could be considered as being in the province of a physician.</p>
Number of hours per seafarer / offshore worker spent on safety training in the year	<p>The number of hours per seafarer or offshore worker spent on safety training in the year</p> <p>Safety training is the sum of following trainings:</p> <ul style="list-style-type: none"> <li>• <u>Company trainings</u>: These are classroom or web-based safety trainings by either internal or external providers. CoolCo run about 40 such courses every year.</li> <li>• <u>E-learning courses</u>: CoolCo subscribe to e-learning courses from the company Seagull. About 60% of these courses are safety related and are included in the calculations.</li> <li>• <u>On board safety drills</u>: the number of weekly safety training drills each seafarer/worker has attended during their stay onboard. Normally one hour per week.</li> <li>• <u>STCW</u>: Mandatory safety training for seafarers, to maintain proficiency certificates. Training is provided by accredited training centres.</li> </ul>

### Data collection and quality

Safety, security, and environmental related incidents are reported, and root cause analysed in our Docmap application. Docmap reports are quality checked by the senior officers onboard and shore-based support team. In addition, the HSSEQ department is monitoring Docmap reporting and follows up on any unreported or not reported

incident. HSEQ also check if the incidents are reported under the correct category.

Exposure hours are logged in our crewing system OCS. For monitoring and analysis of trends we use a BI system called OBI. OBI is collecting data from Docmap and OCS and presenting them in tailored tables for easy access and regular reporting.